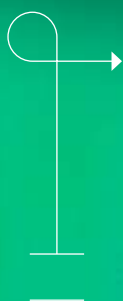


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GROUP. DE /  
MATERI-  
ALITY

METRO GROUP CORPORATE RESPONSIBILITY REPORT 2015/16

**METRO GROUP**

Along with Friedrich Lehmann, the protagonist featured on our cover, our Corporate Responsibility Report introduces five further innovators who all share one thing: their focus on what is material to them. Their stories are exemplary of the inspirational nature of sustainable ideas and how we anchor and advance these approaches in our core business.



**FRIEDRICH  
LEHMANN**

**PERMACULTURE  
VISIONARY**

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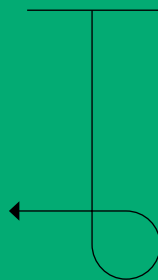
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WWW.  
**METROGROUP.DE/**  
**MATERIALITY**

DEAR

# Readers,

Our world is changing faster all the time. Global challenges such as political crises, climate change and population growth, as well as the increasing wealth gap and advancing digitisation, call for new discourses, bold solutions and active engagement.

As an international retail company with some 220,000 employees and millions of customers, METRO GROUP and its sales lines bear a special responsibility. A company of our size, with the great number of transactions we conduct daily, has both the opportunity and the duty to achieve sustainable transformation. And that is our aspiration: we want to create added value for our customers while also caring for our environment. To accomplish this, we have anchored the theme of sustainability in our guidelines and, accordingly, in our daily actions. In doing so, we have set clear priorities in the last several years. Together with our employees, customers and partners, we are focusing on tackling the issues that are material to us. We have therefore made "materiality" the guiding theme of this year's Corporate Responsibility Report.

To determine which topics we and our stakeholders regard as essential, we conducted a comprehensive stakeholder survey as well as a materiality analysis this year. The results are helping us to prioritise fields of action. On this basis, we are defining objectives and measures, and systematically identifying and addressing potential risks and opportunities for our business.

In this report, we present several of these measures and the progress we have made on them thus far. Through these efforts, we are making a contribution at the societal level to attaining the UN Global Compact and Sustainable Development Goals. External assessments confirm that we are on the right path: in 2016, METRO GROUP is again listed as Industry Leader in the Dow Jones Sustainability World and Europe Indices, and is represented in both the FTSE4Good Global Index and the FTSE4Good Europe Index.

The focus on the essential is also what ultimately unites the protagonists featured in this report. We introduce people who not only develop sustainable ideas, but who, through their dedication, also motivate others to contribute to sustainability.

We wish you sustainably inspiring reading!

**OLAF KOCH**  
Chairman of the Management Board



**MARK FRESE**  
Chief Financial Officer



**PIETER HAAS**  
Member of the Management Board



**HEIKO HUTMACHER**  
Chief Human Resources Officer



**PIETER C. BOONE**  
Member of the Management Board

↓

# THE MANAGE- MENT BOARD

OF METRO AG

**FABIO  
ZIEMSEN**

**FORWARD-  
THINKER**

AND

**NETWORKER**

FOR GERMANY'S  
FOOD TECH FUTURE



» At some point the question won't  
just be where you can order  
something, but where you can have it made. «  
Or even how you can produce it yourself.

# FABIO ZIEMSEN



## IDEAS FOR THE FOOD SYSTEM OF TOMORROW

As Head of Food Innovation and FoodTech at METRO GROUP, FABIO ZIEMSEN deals with questions about the present and future food system. His mission: to work with start-ups, scientists and other visionaries to find innovative technologies to take on such challenges as securing the food supply for a growing world population. Ziemßen actively promotes dialogue and the search for solutions both on his website [efood-blog.com](http://efood-blog.com) and in his roles as co-organiser of events like the 2016 Next Generation Food conference.

When Fabio Ziemßen thinks about food, it is only rarely about his own lunch. Rather, on behalf of METRO GROUP, he examines topics and trends that extend far beyond the plate in front of him. Yet many of the questions he deals with begin, so to speak, right at the table. How do we feed ourselves today? How will we do so in the future? How can we use the resources of our planet sustainably enough to support billions of people over the long term? And to what degree can innovative technologies help us achieve this?

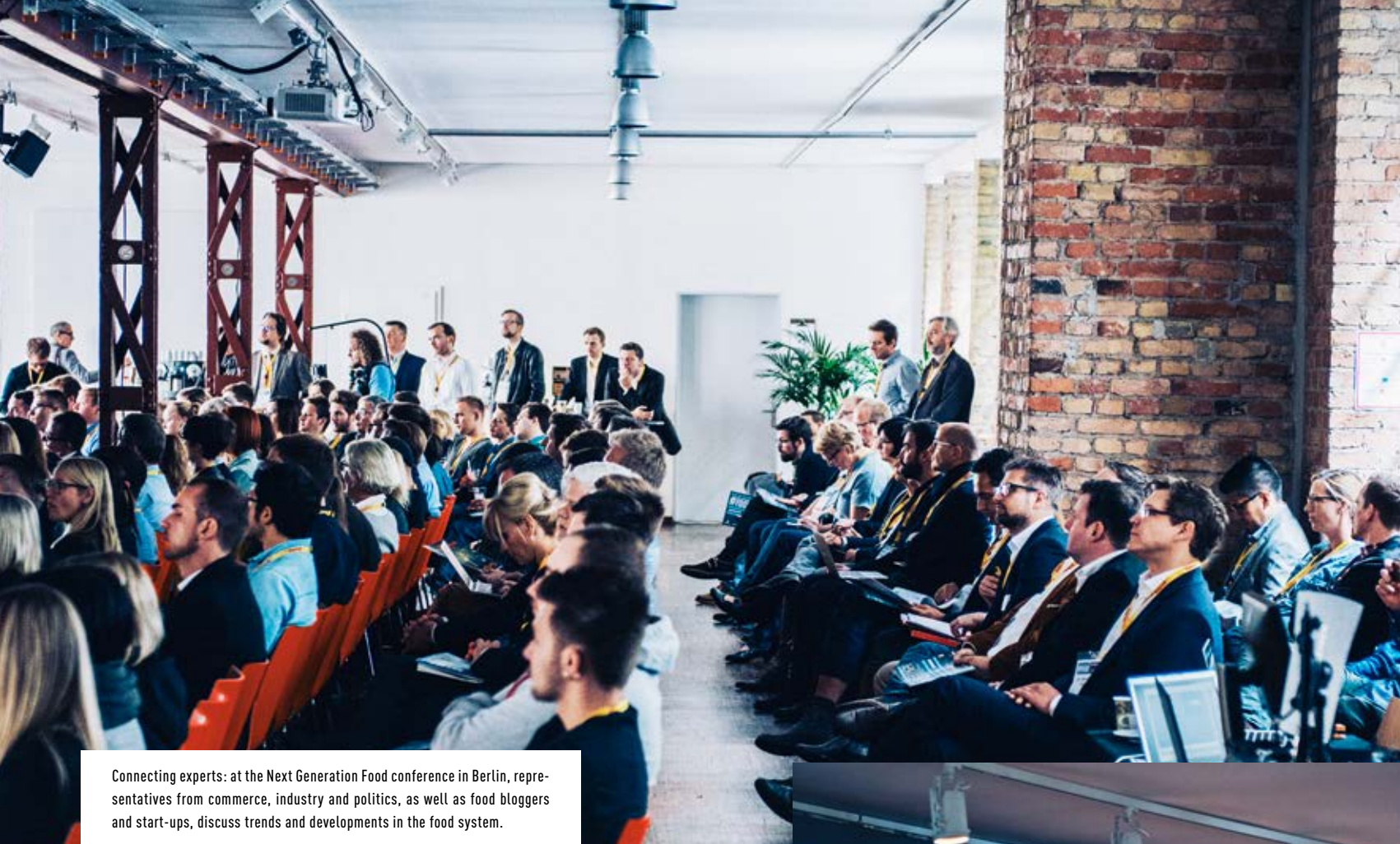
"It is indispensable that we in the commercial sector grapple with these questions and redefine our own role," says Ziemßen, "because in the future, today's food system and value chain will cease to exist as we know them." Challenges like global population growth, urbanisation and excessive resources consumption are already pushing the system to its limits. "Food tech – the fusion of food and technology in various parts of the value chain – can point out new, sustainable paths and, at the same time, turn the entire food system on its head."

A prime example of this is the concept of indoor farming, which makes consumers into self-sustaining food

producers. "This is definitely one of the major trends in the food tech sector," Ziemßen explains. "With this technology, anyone can grow food right where it is eaten – with low resource input and 100 per cent transparency with respect to its origins. That's a forward-looking approach to healthily feeding millions of people particularly in megacities."

Equally promising in his view are ideas and models for the circular economy, "such as using organic waste, for example fungi, algae or insects, to generate new products or even packaging." Ziemßen also sees the 3D printing of foodstuffs, on the basis of sensory measurements of individual nutrient requirements, as a future technology with potential.

The market is still modest in scale. Start-ups and visionaries in, especially, the United States, Israel, Italy, the Netherlands and Germany are exploring ideas for the future of our food system. Linking these, creating forums for dialogue, sharing knowledge and using ideas in commerce in targeted ways – these will remain exciting challenges for Fabio Ziemßen.



Connecting experts: at the Next Generation Food conference in Berlin, representatives from commerce, industry and politics, as well as food bloggers and start-ups, discuss trends and developments in the food system.





Innovative idea generator: the Berlin start-up cantinio, a platform for daily lunch updates, made a convincing e-food pitch.





Promoting exchange: Fabio Ziemßen drives the community discourse forward in various roles, including as initiator of the efood-blog.com as well as moderator and co-organisier of the Next Generation Food conference.





METRO CASH & CARRY installed a high-tech vertical farm in its wholesale store in Berlin's Friedrichshain district in 2015, making it the first wholesaler in Europe to do so. Since then, this innovative in-store farming concept has also been implemented in the wholesale store in Antwerp. In a futuristic vertical construction, herbs, sprouts and vegetables grow in a thin, nutrient-rich layer of water – entirely without pesticides and using 70 per cent less fertiliser, 90 per cent less water and zero pesticides. The technology and operations are provided by the Berlin-based start-up Infarm, with which METRO Cash & Carry cooperates.



**OSNAT MICHAELI**  
Co-founder and  
managing director of Infarm

## URBAN FARMER



Our goal is to help cities become self-sufficient  
in their food production.



A full-page portrait of Moritz Zyrewitz, a man with glasses, wearing a dark jacket and grey trousers, standing on a stone ledge outdoors. He is holding a smartphone in his hands. The background is filled with lush green trees and foliage, with a building visible in the distance. The lighting is bright, suggesting a sunny day.

**MORITZ  
ZYREWITZ**

**FOUNDER OF  
KAPUTT.DE**

» **For us,  
materiality means fighting the  
cause instead of the effect.** «

# MORITZ ZYREWITZ



» **Repairing things is  
inherently sustainable.** «

MORITZ ZYREWITZ is one of the founders of kaputt.de. The portal that he and two friends developed in 2014 provides information and services in the area of electronics, repairs and disposal. It offers three options: follow instructions to fix the device yourself, hire a repair service or purchase a new product while selling or disposing of the used item. kaputt.de was a participant in the Media-Saturn tech accelerator SPACELAB and is now cooperating with more than 100 Media Markt and Saturn stores.

## **Mr Zyrewitz, where did the idea for the start-up kaputt.de come from?**

If you want to repair your mobile phone, you'll find lots of videos and instructions on the internet. We bundled this knowledge into a kind of Wikipedia for instruction manuals. That earned us an award and enabled us to refine our concept. And since not everyone has the skill or the time to fix things themselves, we also offer information on repair services to those people who visit our platform.

## **Your motto is "Just fix it". But why should we do that?**

For our users, there are three reasons. First, it makes economic sense, because it saves me the cost of a new device. Second, it's ecological, because by repairing my mobile phone, I extend its product life cycle and reduce e-waste. The third reason is my curiosity to better understand a product that I use daily and take for granted.

## **Would you describe kaputt.de as a sustainable company?**

To begin with, kaputt.de is a normal company that's ethical and sustainable by virtue of our values and prod-

ucts. In our market segment, we strive to offer people an alternative to discarding broken devices. After all, repairing things is inherently sustainable. By providing for the repair of 50,000 mobile phones in the last 18 months, we've prevented tonnes of electronic scrap. That's our contribution to sustainability.

## **What are the next goals and challenges for kaputt.de?**

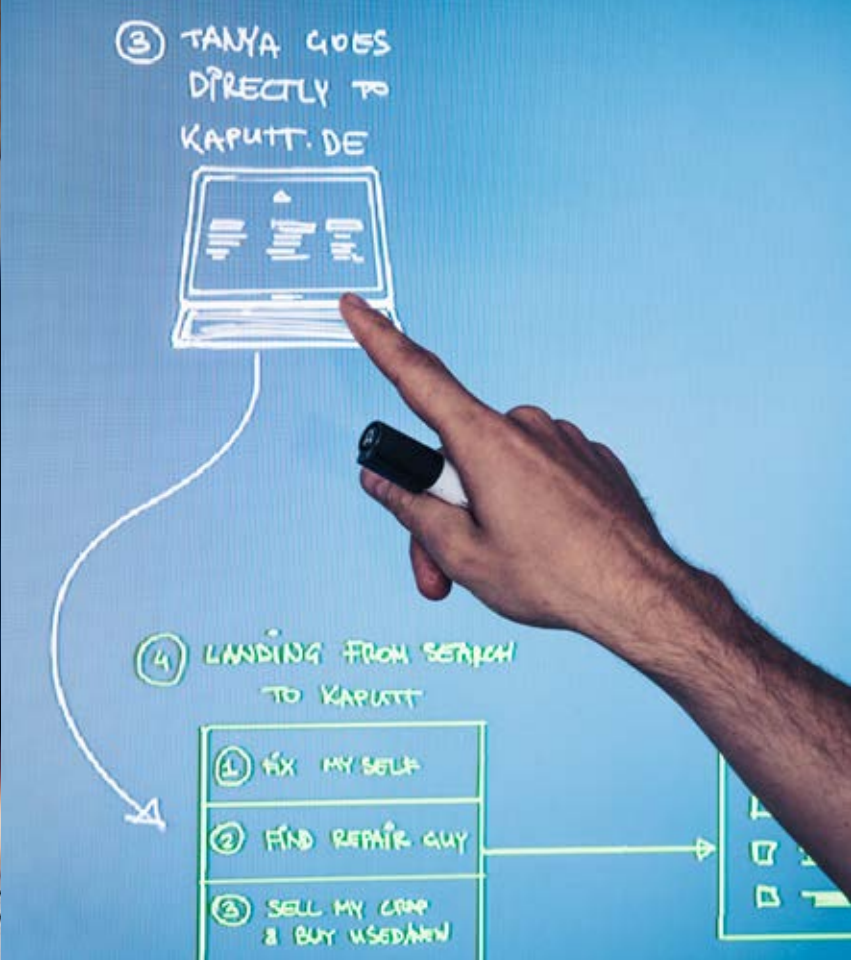
We aim to increase awareness of our brand and expand our product line. If kaputt.de does a good job repairing my smartphone, then why not also my coffee maker or my washing machine? We want to grow and soon be making a profit. But growth also brings the challenge of managing a larger team and ensuring that it can succeed on the market over the long term.

## **While maintaining what made kaputt.de what it was right from the start ...**

... absolutely. In the future, people should still be saying: Hey, kaputt.de is a great source of information that helps me decide whether to fix my electronic device myself, have it repaired or buy a new one. It's an honest intermediary that saves me time and money.



Just get it fixed: users who can't repair their smartphones themselves can find an overview of local repair services on the platform [kaputt.de](https://kaputt.de).



Ambitious start-up team: Frederico dos Reis, Moritz Zyrewitz, Tobias Kronawitter and Joseph Hufnagl are the minds behind kaputt.de.





Need identified: via the platform kaputt.de, the Berlin start-up already sells around 1,500 different spare parts for smartphones – from batteries and antennas to charging sockets and displays including toolkits.





Continuing to grow: in the medium term, the kaputt.de team plans to expand its services to household goods like laptops, coffee makers and washing machines.



MEDIA-SATURN sees itself as a partner, daily companion and navigator for its customers in an ever more digital world. To fulfil this aspiration, the company is continually expanding its service offerings and making targeted investments in young, innovative companies from all sectors along the value chain. Its cooperation with the Berlin start-up kaputt.de is a prime example: the platform for repair services provides information, comparisons and repair assistance for defective smart-phones – which makes it a perfect addition to the Media-Saturn portfolio.

» We invest in start-ups with innovative business ideas – to offer customers useful services and true added value. And that's exactly what distinguishes kaputt.de. «

**MARTIN SINNER**  
CEO of Electronics Online Group (EOG)  
and the SPACELAB Accelerator of Media-Saturn

**START-UP DISCOVERER**



**FRIEDRICH  
LEHMANN**

**PERMACULTURE  
VISIONARY**

» I'm convinced that twelve billion people can be fed through permaculture and organic agriculture. Because when we treat nature with respect, it produces in great abundance. «

# FRIEDRICH LEHMANN



## A SYSTEM FIT FOR THE FUTURE

FRIEDRICH LEHMANN is fascinated by the concept of permaculture. For over 20 years, the distributor of organic fruit and vegetables has been developing and implementing this approach on his acreage in Spain – with great patience, zeal and remarkable idealism. Through his company Lehmann Natur, he supplies Real with fruit and vegetables from his fincas.

An early morning in late September. The sun is rising over the fields of the Finca Jelanisol in Gibraleón, Andalusia. Although there hasn't been substantial precipitation in over five months, the trees and bushes are resplendent in vibrant green foliage. Instead of the unrelenting monoculture common in Andalusia, botanical diversity reigns here. With its pomegranate and orange trees, herbs and flowers, succulents and high hedges, Jelanisol is all about diversity. This wasn't always the case. "When we took over the finca 20 years ago, conventional monoculture farming was practiced here," says Friedrich Lehmann, the owner of the finca. "At some point it became clear to us that that wasn't the right way for the future. So we began our transition to permaculture."

Permaculture is a form of organic farming in which crops are cultivated without wasting resources or displacing natural habitats. Using water sparingly and forgoing artificial fertilisers, pesticides, herbicides and fungicides are important principles of this approach. But to gain a hands-on understanding of this holistic concept, one should come to Jelanisol. A tour of the 52-hectare finca quickly makes clear how the system works. One key factor is the soil – or, more precisely, the humus layer,

which is meticulously cultivated here. It contains micro-organisms and nutrients, and serves as an important water reservoir. Grasses, flowers, wild mint and fennel grow undisturbed among the fruit and vegetable plants, protecting the earth from drying out. Fields are laid out in keeping with the land's contours to prevent water from running off too quickly and eroding the soil. Terrace-like hedges provide wind protection and animal habitats.

"We have no doubt that permaculture with organic farming will be the only viable way to feed the world's population over the long term," Friedrich Lehmann stresses. And he has long demonstrated that the concept pays off economically: with a team that seasonally swells to around 30 in number, he harvests between 600 and 750 tonnes of fruit and vegetables annually. "The more we build up the soil and the better we understand nature, the higher our yields. However, we aren't just interested in yield volumes, but rather, first and foremost, in quality." German consumers can test this quality for themselves, because Friedrich Lehmann delivers the greater part of his harvest – especially pomegranates, kumquats, mangoes and avocados – straight to Real supermarkets in Germany.



Rich green diversity: "Recognising the harmonious language of nature – that's permaculture!"



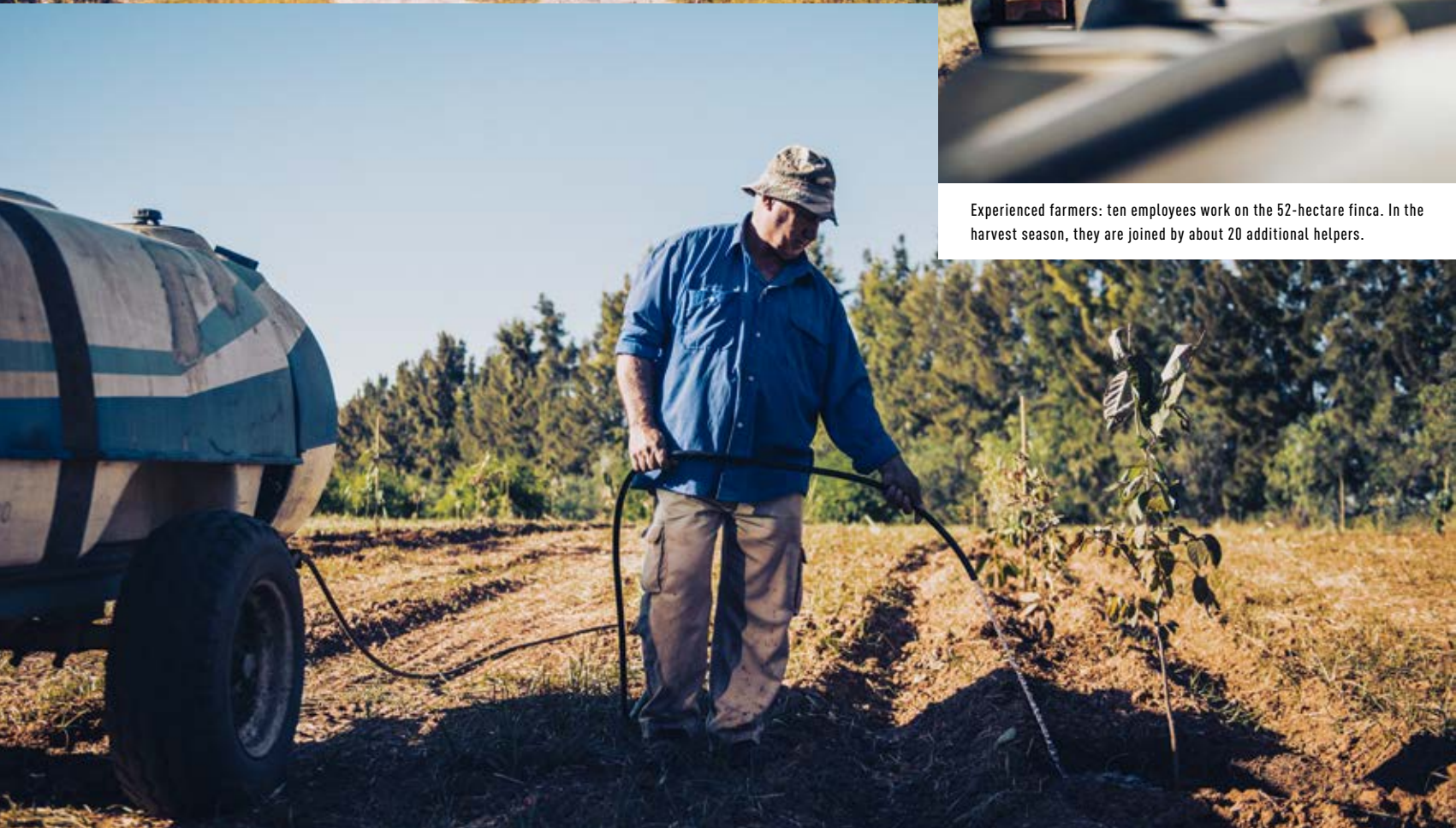


Essential basis: finca boss Manolo Báez is proud of the soil's healthy humus layer. At Jelanisol, this topsoil is meticulously cultivated and tended.





Experienced farmers: ten employees work on the 52-hectare finca. In the harvest season, they are joined by about 20 additional helpers.



The soil is treated with water and microorganisms that are propagated in large tanks at Jelanisol.





Learning from nature: owner Friedrich Lehmann and his team intensively discuss the finca's further development and constantly try out new ideas.

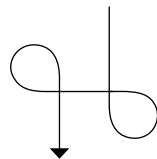




REAL has been offering fruit and vegetables from permaculture farming since 2014. In all of its hypermarkets, depending on the natural harvest season, customers can find such produce as avocados, kumquats, oranges and pomegranates, as well as green onions, radishes, carrots and lamb's lettuce. The product mix identified by the "Real Permakultur" logo now encompasses a total of up to 15 different types of vegetables and fruit, which Real buys from Friedrich Lehmann's Finca Jelanisol in Gibraleón, Spain, among other sources.

**PETER REITZ**  
Director for  
fruit/vegetables/flowers at Real

## FOOD LOVER AND TRAILBLAZER



**We've decided to follow a sustainable path.  
Real permaculture products are available  
exclusively in our hypermarkets. And we're  
steadily developing this product range.**



# METRO GROUP SUSTAINABILITY APPROACH

## Global challenges

The global challenges which our society is facing also have a direct impact on METRO GROUP and its sales lines. After all, our core business is providing high-quality products and services to customers the world over. The basis for this is an intact environment and the availability of resources.

### Growing global population

Global population growth is one of the biggest challenges as it impacts resource consumption, the climate and the food situation. According to forecasts by the United Nations, approximately 9.7 billion people will live on earth by 2050. To ensure that they have enough food, the production of edible plants would need to be doubled during the same period. Because with increasing prosperity, eating habits change as well. There will be an increase in the need for meat, for example, the production of which is particularly resource-intensive.

9.7 billion people  
in 2050

[Source: United Nations]

82 Annual increase of people  
in millions

[Source: United Nations]

Increase in the global population by 2050



Required increase in harvest yields by 2050



Due to growing prosperity and hence a rising need for animal proteins and energy (University of Minnesota)

## Growing consumption of resources



**1.6 EARTHS**

would be required to cover  
our resource consumption. (WWF)

If the current development continues unabated,  
we would already need three Planet Earths by 2050.

We already consume considerably more resources per annum than our planet can provide sustainably. If this consumption rate continues unabated, by 2050 we will need three planets like the earth to meet the demand for resources. The pressure on the earth's sustainability is mounting.

In the long run, METRO GROUP can only safeguard the foundations of its business if it manages to separate growth from the resource requirements. Therefore, for us sustainable action means:

- Creating awareness of this correlation
- Optimising our own processes and our product range in such a way that natural resources are used efficiently and responsibly

In this manner, we generate added value for our customers and contribute to mastering global challenges.

METRO GROUP offers the framework for this with its corporate strategy and its sustainability approach. The sales lines implement their specific approaches at the operational level.

## Business model

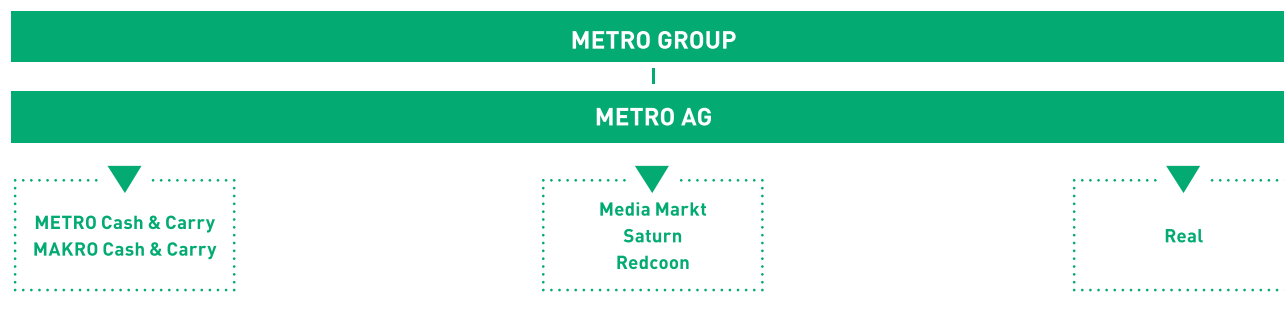
METRO GROUP's corporate structure is characterised by a clear division of responsibilities. The group is headed by METRO AG. As the central management holding company, it assumes the tasks associated with group management. These specifically include finance, controlling, legal issues and compliance. Central management and administrative functions for METRO Cash & Carry are formally anchored within METRO AG.

Operational business is the responsibility of three sales lines. They operate in the market partly with different brands or via subsidiaries, depending on the respective strategy, the segment and the specific competitive environment.

METRO Cash & Carry is responsible for wholesale business, Media-Saturn for consumer electronics retailing and Real for hypermarkets. All the sales lines bear full responsibility for their entire value chain – from purchasing and logistics to bricks-and-mortar retail and online sales.

Service companies assist the METRO GROUP sales lines across the board with services, for instance in the fields of real estate, logistics, IT and advertising.

An overview of METRO GROUP

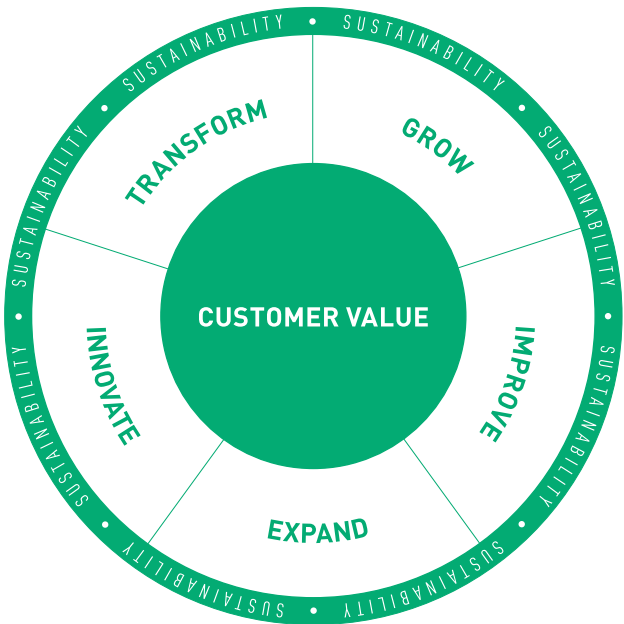


Information on the METRO GROUP strategy is available in the Annual Report 2015/16 at [Goals and strategy](#).

## Sustainability approach

Generating added value for our customers is at the heart of METRO GROUP's corporate strategy. The principle of sustainability constitutes the framework for this. This is because METRO GROUP sees itself as part of society and contributes to social value added.

Our company has a responsibility to go beyond the legal requirements in reconciling economic goals with society's requirements and those of our customers, staff, investors and partners. At the same time, we have to remain within the boundaries imposed by the environment. We act today with tomorrow in mind. For our business activities, this means creating added value while also reducing detrimental effects. In this manner, we become sustainable in everything we do.



“With respect to sustainability, we aspire to doing the right things better and better. This means generating added value for our customers while at the same time using resources responsibly and creating positive effects for society.”

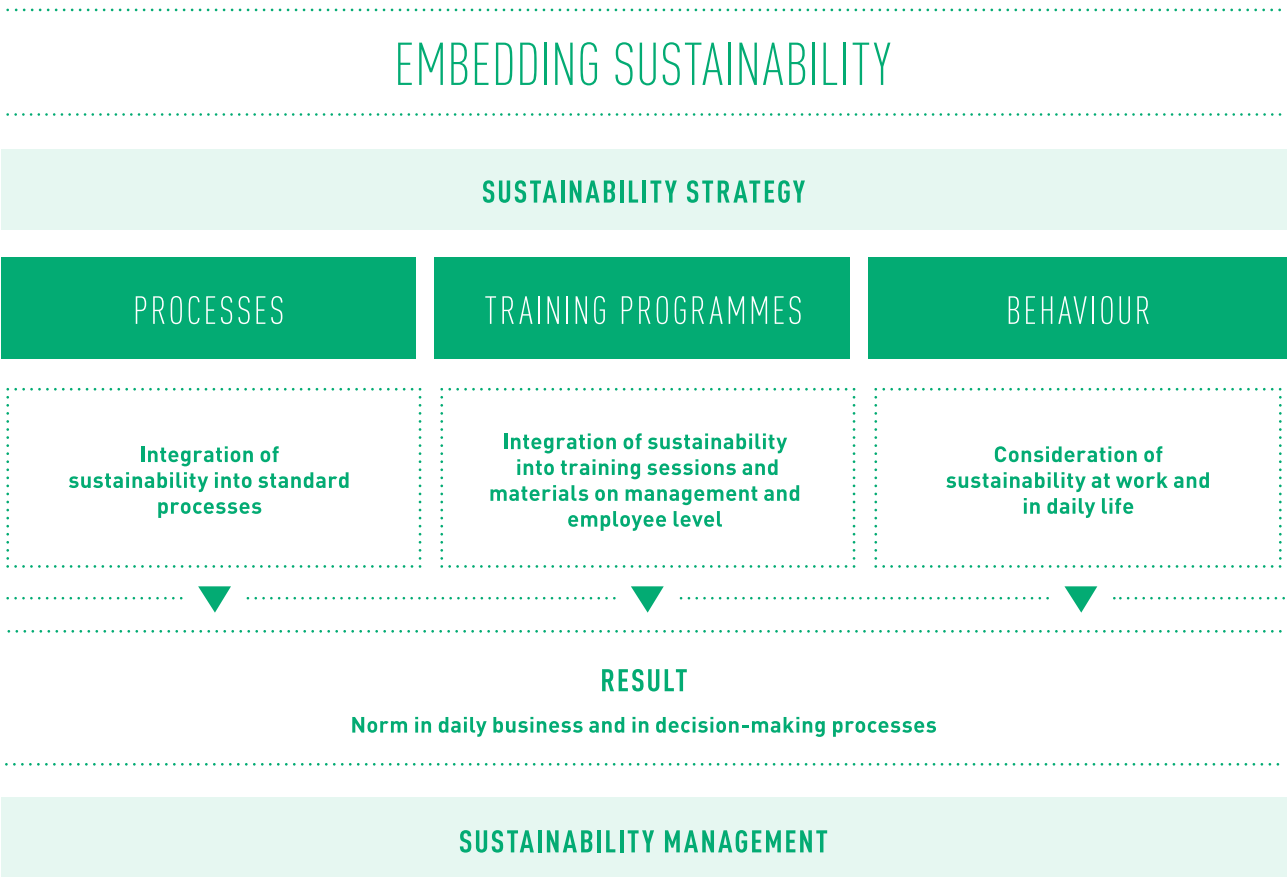
**HEIKO HUTMACHER**  
Member of the Management Board and Chief Human Resources Officer (CHRO) of METRO AG

| We become sustainable in all that we do ...                                                                                      | Areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>... for our employees, ...</p>               | <p>... by respecting, protecting and helping them to grow professionally at all times, and by building trusting relationships with them. And by enabling them to systematically make sustainability a part of their work. This is how we create an attractive working environment which enables our employees to offer our customers sustainable solutions that optimally serve their needs.</p> <p><b>Commitment to our employees</b></p>            |
| <p>... for the environment, ...</p>             | <p>... by using resources responsibly in our own operations and avoiding waste. This is how we minimise our effect on the climate and protect the environment. And by contributing to the long-term availability of resources through sustainable procurement and assortment design. This is how we help to create a sound foundation for the retail of tomorrow.</p> <p><b>Sustainable operations and sustainable procurement and assortment</b></p> |
| <p>... for the people who work for us, ...</p>  | <p>... through fair and responsible business practices and by providing fair living and working conditions. This is how we demonstrate responsibility in the supply chain.</p> <p><b>Sustainable procurement and assortment</b></p>                                                                                                                                                                                                                   |
| <p>... for our consumers, ...</p>              | <p>... by providing them with safe, quality products around the world through sustainable procurement and assortment design. And with products that are produced, processed and recycled in a socially responsible, environmentally sound and resource-friendly manner. This is how we secure our future and promote sustainable consumption.</p> <p><b>Sustainable consumption</b></p>                                                               |
| <p>... for society, ...</p>                   | <p>... by aligning our business with the needs of society through a stakeholder dialogue based on mutual trust and by contributing to our local communities wherever we operate. This is how we work on solutions to global challenges and contribute to sustainable development.</p> <p><b>Social engagement</b></p>                                                                                                                                 |

## Embedding sustainability

To live up to our standard of sustainability, it is imperative that we strategically embed this principle in our core business. We ensure this with our Sustainability Board and its committees, by adjusting the relevant business and decision-making

processes and by specifically discussing this issue with our staff members. The goal is for every one of them to recognise the significance of sustainability for themselves and for their work environment, and to be guided accordingly in their individual behaviour. After all, the issue may be pushed from the top, but it must be carried by everyone.



| Topic                                              | Goals                                                                 | Status – goal achievement                                                                             | Measures                                                                                                                                                                                                                                                                                                                             | Status – measures                                                                                        |
|----------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>EMBEDDING SUSTAINABILITY WITHIN THE COMPANY</b> | METRO GROUP is systematically making sustainability part of its work. | <br>Work in progress | In a first step, sustainability was integrated into all the key business processes by 2016 by identifying the key processes and their link to the topic on the basis of a materiality analysis. In a second step, the issue is being continuously implemented within the business processes, for example on the basis of guidelines. | <br>Measure ongoing   |
|                                                    |                                                                       |                                                                                                       | Enhancing employees' awareness of sustainable behaviour.                                                                                                                                                                                                                                                                             | <br>Measure ongoing   |
|                                                    |                                                                       |                                                                                                       | Development of a sustainability campaign completed.                                                                                                                                                                                                                                                                                  |                                                                                                          |
|                                                    |                                                                       |                                                                                                       | — Internal and external communication materials on the topic of "METRO and sustainability" being generated and distributed.                                                                                                                                                                                                          |                                                                                                          |
|                                                    |                                                                       |                                                                                                       | — Conducting of workshops on "sustainability within METRO GROUP", in particular in the Cash & Carry country organisations.                                                                                                                                                                                                           |                                                                                                          |
|                                                    |                                                                       |                                                                                                       | — Additionally, sustainability events held, such as a Sustainability Day at the headquarters and in 13 countries.                                                                                                                                                                                                                    |                                                                                                          |
|                                                    |                                                                       |                                                                                                       | Inclusion of a dedicated question on sustainability in the annual employee opinion survey, METRO Voice. The survey is conducted at METRO Cash & Carry and in the service companies.                                                                                                                                                  |                                                                                                          |
|                                                    |                                                                       |                                                                                                       | Sustainability has been and will continue to be included as a topic in existing training programmes.                                                                                                                                                                                                                                 | <br>Measure ongoing |
|                                                    |                                                                       |                                                                                                       | Establishment of a programme for management development for the specific purpose of boosting sustainability awareness.                                                                                                                                                                                                               |                                                                                                          |

Our company has various measures and tools available for advancing the sustainability embedding process:

- Approaches to responsible company management and acting with integrity, including our [sustainability approach](#) and our [corporate governance](#) and [compliance structures](#)
- [Principles, commitments and positions](#) which offer guidance for people's actions and ensure both compliance with laws and adherence to standards that exceed these guidelines
- Guidelines such as the ten principles of the [United Nations Global Compact](#) and the [Sustainable Development Goals](#)

- Linking the remuneration paid to the Management Board and the global senior management with the [assessment of the sustainability performance](#) of METRO GROUP in the rating of the Dow Jones Sustainability Index (DJSI)
- Definition of [group-wide sustainability-related targets](#) within our areas of responsibility
- [METRO Sustainable Leadership Programme](#) for management development
- Memberships in associations and initiatives as well as committee work; the [most important memberships are listed here](#)
- Collaboration and dialogue with [decision-makers in politics and society](#)

## Sustainability management

Sustainability management serves to help embed sustainability in our core business and ensures that whenever economic and environmental or social considerations affect one another, overlaps are dealt with in an efficient, solution-oriented way. It also assists in shaping sustainability-related guidelines such as legal requirements or standards that apply to the company.

Sustainability management is closely connected with METRO GROUP's risk and opportunity management. Management is assisted in systematically identifying, assessing and controlling potential risks due to deviations from sustainability targets and opportunities.

More information on risk and opportunity management is available in the [Risk and opportunity report](#) of the Annual Report 2015/16.

As there are many different companies and retail formats within METRO GROUP, clear structures have been put in place to ensure that the strategic and operational levels interlock optimally. Our objective is to preserve the sales lines' operational independence so that we can meet the requirements of local markets and customers. At the same time, it is important to tap synergies with a view to achieving the group's shared strategic goals. The structure and processes of METRO GROUP's sustainability management enable us to deliver on this.



As an official METRO GROUP body, the Sustainability Board makes sure that the right strategic course is pursued with respect to the group's sustainability performance and key issues are covered by means of relevant targets. The Board consists of the director responsible for sustainability, the CEOs of the sales lines and the sustainability managers from METRO AG and the sales lines. The sustainability managers are responsible for making sure that sustainability is integrated into the business at the level of the sales lines and the group. This is done by rolling out this concept in the various corporate divisions and taking it into account during decision-making.

## Round table on corporate responsibility

The round table on corporate responsibility acts as an interface between the strategic and operational dimensions of sustainability. This body prepares decisions to be approved by the Sustainability Board and helps to implement them. Action taken by the individual sales lines that contributes to achieving METRO GROUP's sustainability targets is coordinated by the round table. In this manner, the committee serves as a platform that brings together all the sustainability managers and allows them to pool their expertise. Synergies are created, for example when the participants discuss how they view certain topics and deal with them. These can help the operating divisions to manage their specific issues.

## Operational responsibility lies with the sales lines

The sales lines are responsible for defining specific targets and measures at the operational level, acting on them in day-to-day business and ensuring that goals are met in a sustained fashion. They inform the Sustainability Board about their progress via the round table. Each METRO GROUP sales line has developed its own approach – based on the specific requirements of its operational business – to deal with relevant aspects of sustainability.

Each of these approaches is presented in the chapter [Sustainability approaches of the sales lines](#).

## Stakeholder relations

In defining strategic objectives and designing concrete measures in the area of sustainability, we do not rely solely on our internal viewpoint and our own experiences. Rather, we attach importance to taking on board the opinions and expertise of different stakeholder groups and external experts. Regular exchange with them has high strategic priority for us, as it contributes to creating a better basis for decision-making and to developing possible solutions for social and business challenges. Stakeholder dialogue is also helpful for identifying and expressing needs. By taking part in economic and sociopolitical discourse and working with our stakeholder groups, we are in a position to identify their requirements concerning our activities, address relevant issues, and continuously check the goals we are pursuing. We can achieve many of our sustainability targets only in cooperation with partners from politics, science, society and industry. After all, the impact of our actions is greater if many stakeholders tackle social challenges jointly and systematically. As such, regular exchange with our stakeholder groups also serves to reinforce trust in our company, while at the same time increasing the chances of our activities succeeding.

The measures that we implement in the field of sustainability are evaluated among other things by our stakeholder groups in the form of ratings. These assessments are an important source of motivation for us and also serve as a management tool as they indicate the progress we have made as well as room for improvement in our activities.

## Stakeholder groups and dialogue formats

Not only external stakeholders such as customers, suppliers and business partners, NGOs, political representatives, investors, competitors and committees, but also internal stakeholder groups such as employees and the management of METRO GROUP place various demands on our company at the local and international levels. To get to know their opinions and expectations and understand them better, we employ various dialogue activities and formats. These include, for instance, our committee work in the international industry organisation The Consumer Goods Forum, our diverse [association activities](#) and our involvement in the Retailers' Environmental Action Programme (REAP), a joint platform of 21 large

European retail companies and the European Commission. The aim of REAP is for experience of and information on exemplary projects to be shared not only with the Commission, but also among the retail companies.

Additionally, we foster dialogue with our stakeholder groups through our membership in various initiatives. Among other things, METRO GROUP has made a commitment to compliance with their [guidelines](#). These [initiatives](#) include:

- UN Global Compact
- Global Sustainable Seafood Initiative (GSSI)
- Business Social Compliance Initiative (BSCI)
- Roundtable on Sustainable Palm Oil (RSPO)
- Global Reporting Initiative (GRI)
- International Labour Organization (ILO)

METRO GROUP is also committed to dialogue with stakeholders in its own event formats: together with the German Retail Federation (HDE) and the Federation of German Wholesale, Foreign Trade and Services (BGA), METRO GROUP has organised the [Berlin Wednesday Society of the Retail Industry](#) four times a year since 2010. The goal is to bring people from politics, business and society together for them to exchange different viewpoints and learn from one another. Its equivalent at the European level is the [Brussels Wednesday Society](#), which the company launched in cooperation with the Federation of German Food and Drink Industries (BVE) and the association European Movement International (EMI).

We also cultivate dialogue on sustainability-related issues by discussing and answering enquiries from NGOs, rating agencies and investors. In addition, in 2016 we conducted our first [online survey](#) on the assessment of sustainability-related issues with our stakeholders.

## 2016 materiality analysis

To recognise issues that might constitute opportunities or risks for our business early on, to prioritise our spheres of action and to focus our activities accordingly, we performed a materiality analysis including an extensive stakeholder survey for the first time in 2016.

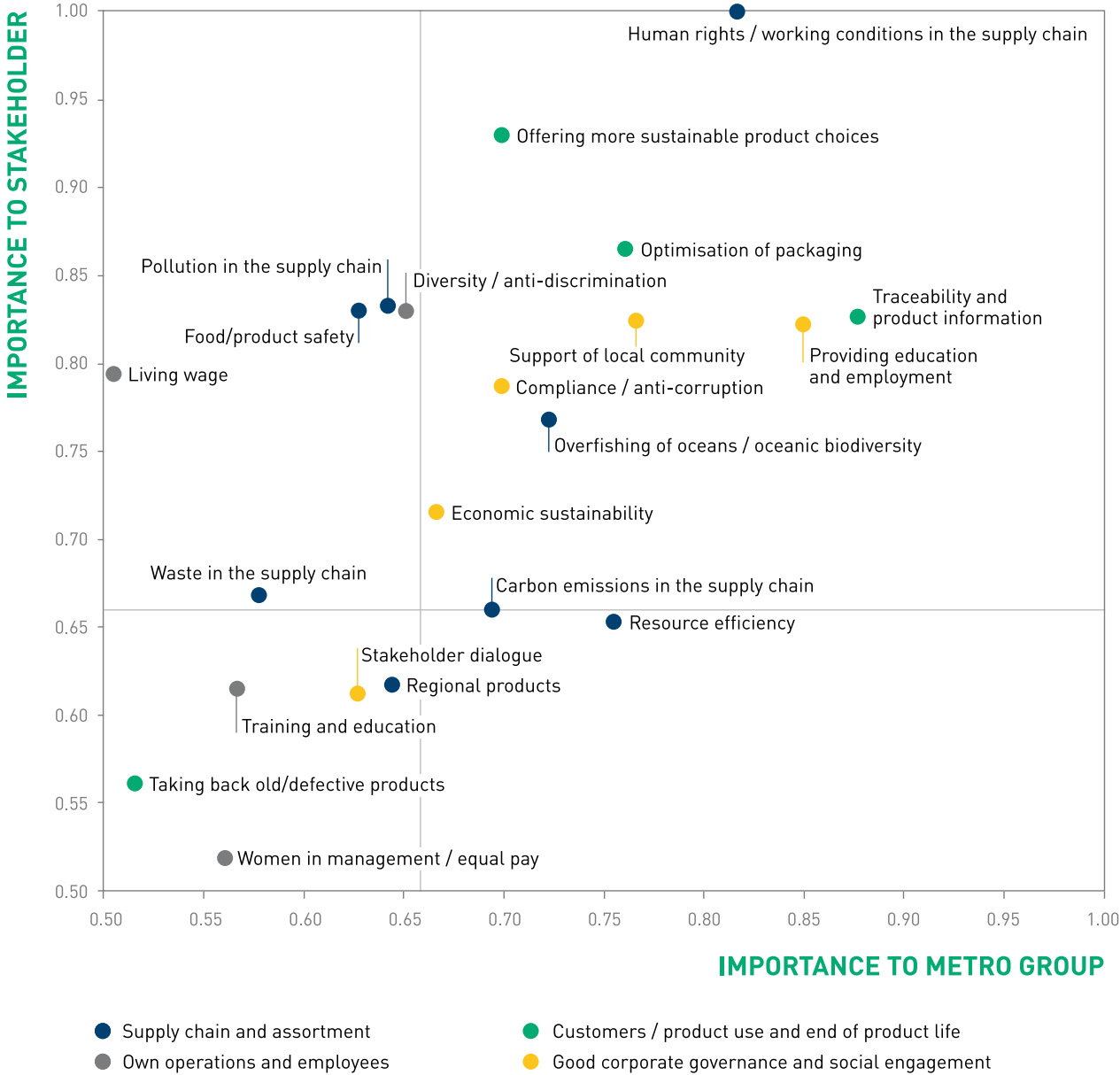
The central topics for METRO GROUP were selected in a process that consisted of several steps. The first step was the generation of a comprehensive list of issues that are relevant to our company or our stakeholder groups. Key sources for this included:

- The guidelines of the Global Reporting Initiative (GRI)
- The requirements of the Dow Jones Sustainability Index (DJSI) and of oekom research
- Market research studies
- The Sustainable Development Goals
- Existing strategies, commitments and policies of METRO GROUP and its sales lines
- Competitors' materiality analyses

In the second step, the more than 200 topics were summarised in a list of 46 issues, making sure that each aspect from the complete list appeared in the content of the condensed list. In the third step, the issues on the shortlist were then assessed in three respects: firstly, an internal analysis was performed to see how frequently the topics were mentioned in the internally and externally available documents of relevant organisations, initiatives and stakeholders. Additionally, between 4 May and 31 August 2016, we conducted an online survey of stakeholders on the METRO GROUP website. More than 370 stakeholders participated in this survey and identified and ranked the issues that were relevant to them. Ten senior managers from various METRO GROUP divisions and sales lines were also surveyed for an in-house ranking of issues. The interview partners included managers from the Strategy, Purchasing, Communication, Compliance, Target Group Management, Finance, Human Resources, Corporate Public Policy, Business Innovation and Investor Relations divisions.

Lastly, the results of the assessments and surveys were compiled in a materiality matrix that classifies all the sustainability issues. This matrix combines and prioritises all three steps. Issues are considered to be material if they have a positive or negative effect on the business success of

METRO GROUP – for instance an impact on sales, investments, costs or the reputation of our company – and/or if they are of importance to our stakeholders (for example regarding purchasing or investment decisions).



Issues that were considered to be of top priority were compliance with human rights and fair working conditions in the value chain, traceability and product information, training and employment, sustainable product ranges, optimisation of product packaging, social responsibility at the local level, overfishing of and species diversity in the oceans, compliance

with anti-corruption legislation and the combating of corruption, and economic sustainability. These issues can be allocated to the areas of responsibility and the sustainability approach of METRO GROUP as follows:

| Area of responsibility                                       | Material issues                                                                                                                                                                                                                          |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commitment to the employees                                  | <div><div>— Human rights/working conditions in the value chain</div><div>— Training and employment</div></div>                                                                                                                           |
| Sustainable procurement and assortment                       | <div><div>— Human rights/working conditions in the value chain</div><div>— Traceability and product information</div><div>— Optimisation of product packaging</div><div>— Overfishing of and species diversity in the oceans</div></div> |
| Sustainable consumption                                      | <div><div>— Sustainable product ranges</div><div>— Optimisation of product packaging</div></div>                                                                                                                                         |
| Social engagement                                            | <div><div>— Social responsibility at the local level</div></div>                                                                                                                                                                         |
| Sustainability approach and responsible corporate governance | <div><div>— Compliance with anti-corruption legislation and the combating of corruption</div><div>— Economic sustainability</div></div>                                                                                                  |

The materiality analysis did not yield any issues that were highly relevant to our sustainable operations area of responsibility. One reason for this might be that, just like high product quality, measures in this area are now considered a given by external stakeholder groups. However, since we consider these issues to be important, we have decided to continue to report on our goals, measures and progress with respect to the protection of resources and the climate.

This is also how we will proceed with other issues and aspects which have been identified as less material in the materiality analysis, but which we consider to be worth reporting on because of our sustainability approach, the updating of goals or individual interests.

METRO GROUP will continue to conduct stakeholder surveys as the basis of the materiality analysis. We will also continue the exchange with our stakeholder groups at the level of the sales lines and are available for dialogue via the options provided on our website and via our e-mail address [CR@metro.de](mailto:CR@metro.de).

## Sustainability indices and rankings

The measures that METRO GROUP implements in the field of sustainability are evaluated among other things by external and independent stakeholders in the form of ratings. This evaluation summarises the basic requirements of internal and external stakeholder groups in a representative assessment profile, which allows for comparison with the performance of the competitors. It is an important source of motivation for us and also acts as a management tool by illustrating the progress made and highlighting where there is room for improvement. In particular, the [Dow Jones Sustainability Index \(DJSI\)](#) of the rating agency RobecoSAM has constituted an important basis for our actions concerning the implementation of our sustainability strategy for many years. The index serves as a component for the remuneration paid to the Management Board and for the long-term remuneration of METRO GROUP’s top executives around the world.

## Sustainable Performance Plan

According to the 2014 version of the Sustainable Performance Plan (SPP Version 2014), the long-term incentive for members of the Management Board of METRO GROUP is based in equal parts of one third each on stock yield, earnings per share and the achievement of sustainability targets. The exact size of the share of the variable long-term incentive, which factors in sustainability components, depends on the position achieved by METRO AG in the DJSI ranking in comparison to competitors in its own sector. The sustainability targets are also taken into account in the remuneration paid to METRO GROUP's top executives around the world.

In 2016, METRO GROUP was once again ranked among the world's most sustainable businesses. It is listed as Industry Leader both in the internationally significant Dow Jones Sustainability World and Europe Indices. METRO GROUP was already distinguished as Industry Leader in the Food & Staples Retailing category in 2015.

METRO GROUP was able to raise its score of 77 points in financial year 2014/15 to 84 points. It has thus improved its result yet again and is among four of the 44 food retailers that have succeeded in qualifying for the Dow Jones Sustainability World Index.

## Dow Jones Sustainability Indices (DJSI)

The Dow Jones Sustainability Indices list the companies with the best ecological, social and economic performance within their industry sector. The Dow Jones Sustainability World Index lists approximately 10 per cent of each sector from among more than 3,400 of the world's largest companies. Inclusion in the index is dependent on an assessment of the sustainability strategies and measures, which is conducted by the independent agency RobecoSAM based on an extensive questionnaire and publicly available sources. Over 100 criteria are assessed altogether.

In financial year 2015/16, METRO GROUP was also once again included in the FTSE4Good Global Index and the FTSE4Good Europe Index. The [FTSE4Good Index Series](#) likewise lists companies with outstanding performance in terms of environmental, social and corporate governance aspects.

METRO GROUP furthermore continues to be one of the companies that are especially committed to climate protection. The non-profit organisation [Carbon Disclosure Project](#) (CDP) once again listed it as Sector Leader in Consumer Staples and as Index Leader on the German MDAX for financial

year 2015/16. METRO GROUP has an excellent ranking of A- (on a scale of F to A). CDP operates a global system with which companies, cities, countries and regions can manage their impact on the environment. This system also grants investors and purchasing managers access to the data collected, to serve as a basis for financial decisions.

METRO GROUP also participated in the CDP survey on water, in which the group achieved a ranking of C (on a scale of F to A).

| Index/ranking                                          | Rating/score                                                             | Scale    | Year |
|--------------------------------------------------------|--------------------------------------------------------------------------|----------|------|
| Dow Jones Sustainability Index (DJSI) World/<br>Europe | 84<br>Industry Group Leader,<br>Food & Staples Retailing                 | 0 to 100 | 2016 |
| Oekom Corporate Rating                                 | C+<br>Prime Status                                                       | D- to A+ | 2014 |
| CDP Climate Scoring                                    | A-<br>Sector Leader, Consumer Staples (DACH region)<br>MDAX Index Leader | F to A   | 2016 |
| CDP Water Scoring                                      | C                                                                        | F to A   | 2016 |
| FTSE4Good Global/Europe Index                          | 3.4                                                                      | 0 to 5   | 2015 |

# AREAS OF RESPONSIBILITY

## Areas of responsibility and main focuses

When defining our areas of responsibility and main focuses, we do not only consider our in-house point of view. By taking part in economic and sociopolitical discourse and working together with external stakeholder groups, we are in a position to also identify their requirements concerning our activities at an early stage. We then determine the areas and issues that are relevant to our sustainability efforts on the basis of these internal and external perspectives. In this way, we create the basis for deriving strategic goals and defining specific courses of action. We also conducted a stakeholder survey for the first time, which additionally assists us in validating the relevance of the issues identified.

The [2016 materiality analysis](#) can be found in chapter [Sustainability approach](#).

On the basis of our analysis of the key issues, we focus on those areas of the value chain and those points of contact with society where we have the greatest influence. The measures we implement have an effect here, and the potential for generating added value for our customers is equally high.

We have defined the following areas of responsibility as essential:

- Commitment to the employees
- Sustainable operations
- Sustainable procurement and assortment
- Sustainable consumption
- Social engagement

At the METRO GROUP level, we advance initiatives that guide the way we act and are relevant to all parts of the group. They are the coordinated result of dialogue with all the units. Below we report on the key issues at the group level, which we discuss within our five areas of responsibility.

The sales lines have likewise defined sustainability approaches and areas of responsibility as the design of specific approaches and the operational implementation of initiatives are their own responsibility. This decentralised approach makes it possible for different market situations and stakeholder requirements to be taken into account when formulating specific targets and courses of action, including those at a national level. This allows for the precise management of sustainability aspects that is tailored to the specific local situation.

For more information see chapter [Sustainability approaches of the sales lines](#).

## Commitment to the employees

Our approximately 220,000 employees are responsible for the success of METRO GROUP and its sales lines. Their dedication and the decisions they take in their everyday work generate added value for our customers and for society. In keeping with our sustainable approach to corporate management, we therefore see it as our duty to create and maintain an attractive, fair and safe working environment. We strive to appreciate the individuality of our employees, foster their diversity and strengthen their personal responsibility. In this way, we help them to implement our corporate strategy successfully.

and sustainably, and can be a preferred employer for existing and future employees.

## Promoting and embedding sustainability awareness

We believe that corporate responsibility delivers the best and most visible results when it is understood as a shared responsibility. We therefore endeavour to make all the employees aware of the impact that their individual actions have on sustainability and to strengthen their personal responsibility. In this effort, we rely on shared values which are embedded in our six **governance principles**:

- Customer centricity
- Global entrepreneurship
- Success through excellence
- Trust in our people
- Authentic leadership
- Sustainability

The employees' individual performances are also assessed every year as part of the RESULTS & GROWTH process\* with respect to how these principles were complied with (\*does not apply to MSH).

Additionally, the **METRO Sustainable Leadership Programme** encourages young managers to integrate sustainability into their day-to-day work. The programme was conducted for the second time in financial year 2015/16. 24 participants from various sales lines as well as METRO AG and its service companies developed sustainability-related projects which are to be implemented within the next 18 months. Through their work, the employees thus become ambassadors of sustainability, highlighting the relevance of this issue to the various business divisions. In addition, the network of participants inspires people to collaborate and exchange knowledge across the various sales lines.

With initiatives such as METRO Sustainability Day, which was again conducted on the METRO campus and in numerous METRO Cash & Carry countries in 2016, we provide our employees with inspiration for all kinds of sustainability issues in workshops, presentations and exhibitions, and motivate them to take action themselves. METRO GROUP's internal social media platform UNITED is also a suitable tool for communicating sustainability-related content and knowledge.

## Fair working conditions

METRO GROUP has made a commitment to its employees to comply with the company's self-imposed guidelines for **fair working conditions and social partnership**, thus implementing the standards of the International Labour Organization (ILO). The objective is to guarantee sustainably good working conditions for the employees, in so doing contributing to the growth of the company. A due diligence procedure was established to ensure adherence to the METRO principles concerning fair working conditions and social partnership. It is based on the obligation to implement these very principles and contains the inclusion of interest groups, training opportunities, the examination of risks and negative impacts in the various countries and measures for the prevention, correction and control of violations of fair working conditions and in the area of social partnership.

To ensure the transnational social involvement of the employees and safeguard their right to collective labour wage agreements and organising in unions, the Euro Forum performs the function of the European works council of METRO GROUP. In addition, METRO GROUP collaborates with the international union umbrella organisation UNI Global Union.

To sensitise the staff members to issues such as fair working conditions and social partnership and offer them pertinent information, METRO GROUP developed a special e-learning module and introduced it within the company in financial year 2015/16. By 30 September 2016, no less than 716 employees had already completed this training.

METRO Cash & Carry has initiated ongoing checks in the various countries to find out if and to what extent the guidelines on fair working conditions and social partnership are complied with and implemented. In this way, the company is meeting its obligation of due diligence as described in the UN Guiding Principles on Business and Human Rights. METRO Cash & Carry Turkey, MAKRO Cash & Carry Poland, METRO Cash & Carry Austria and METRO Cash & Carry Ukraine have already been audited. Special care is taken in examining the implementation of our guidelines and the uncovering of any human rights violations which are caused by the company or to which it might be contributing. Since October 2016, the factor of employee privacy has also been assessed. Ukraine serves as a model for the expanded audit. This audit is sched-

uled to take place in another six METRO Cash & Carry countries in financial year 2016/17.

## Occupational health and safety management

METRO GROUP promotes fair working conditions and a safe work environment to make sure its employees are productive and motivated in the long term. Aware that this is a win-win situation, it has made a commitment to this in its guidelines on fair working conditions and social partnership: the positive impact of a sound work environment on people's well-being

has been proven and is a known fact. So is its effect on motivation and commitment, from which the company in turn benefits. In a personnel-intensive sector such as trade, prevention, safety and health are crucial. For this reason, we have defined clear and efficient guidelines. We strive towards occupational health and safety management which creates a sounder work environment for staff members and contractors, and further reduces the number of accidents and occupational illnesses.

To ensure the ongoing optimisation of the working conditions in the area of **occupational health and safety**, we rely on various courses of action and guidelines.

### Courses of action and guidelines

- We have created clear and efficient structures within METRO GROUP at the local level. Occupational health and safety officers who plan and organise the implementation of voluntary and legal guidelines have been appointed in the majority of organisations. They serve as the link between the national and international committees.
- In January 2016, our METRO Cash & Carry sales line adopted occupational health and safety (OHS) guidelines. These stipulate minimum standards which must be complied with in all METRO Cash & Carry countries, even if local legislation provides for lower standards. The guidelines also contain rules concerning processes and reporting, and define responsibilities.
- To ensure controlled and continuous improvement in the area of occupational health and safety, METRO Cash & Carry has set itself specific goals. The goals for 2015/16 include, for example, the written voluntary commitment to occupational health and safety by the management in all METRO Cash & Carry countries, the introduction of reporting figures concerning labour-related accidents on the basis of set definitions regardless of country-specific definitions, and the implementation of verified processes that provide swift information about serious and fatal accidents.
- The Management Board of METRO AG receives reports of accident and illness figures and also changes in these figures twice a year. Starting with the annual report for financial year 2015/16, the causes of accidents and hence the reasons for absences will be evaluated and analysed. At the same time, a summary will be provided on the status. The reports are then also made available to the responsible individuals at the international level. This allows us to recognise the main causes of accidents and develop specific preventative countermeasures, and to adjust our requirements, if necessary.
- The ongoing communication of the OHS expertise network in international and national meetings as well as regular WebEx conferences are opportunities for the exchange of experience and the presentation of exemplary measures. This dialogue across the various countries and sales lines also contributes to the prevention of accidents.
- We provide specific information and training for our employees on the issue of occupational health and safety. There are also general online training sessions on topics such as stress and ergonomics, and a library of OHS training is currently being put together. We are editing training courses developed by METRO GROUP companies in such a way that they can be used by all employees and group companies.
- We have put in motion national and international initiatives, such as OHS Day in April 2016, in an effort to constantly make our employees aware of the significance of occupational health and safety.

METRO AG pushes these general issues in a targeted manner – in close coordination with the occupational health and safety officers, who effect their own measures in their respective areas of responsibility. Regular project development status reports are generated and checks are performed to make sure the projects can be applied internationally.

More in-depth information concerning our efforts for our employees and METRO GROUP's personnel policy is provided in the [employees](#) chapter of the group management report in the METRO GROUP Annual Report.

In addition, we are publishing staff figures relating to sustainability online in the chapter of our key performance indicators of our [METRO GROUP Corporate Responsibility Report 2015/16](#).

## Sustainable operations

To make sure we conduct our core business successfully and satisfy the needs of our customers, we need energy and natural resources today as well as tomorrow – so that we can transport and store products properly, and refrigerate fresh produce and also maintain our stores and back offices. By taking a responsible approach to our use of resources, we can directly influence the cost of our business activities, anticipate environmental regulations and make a contribution to the protection of the climate and resources.

The extent of global climate change is already noticeable today. It includes weather extremes like droughts, floods and storms, rising sea levels and mounting economic effects such as reduced harvests. Many of the current social tensions and conflicts are also associated with the consequences of climate change.

## METRO GROUP's climate protection target

We aim to cut the climate-relevant emissions resulting from our commercial operations. METRO GROUP has set its sights on reducing its specific greenhouse gas emissions by 50 per cent per square metre of selling space by 2030 compared to 2011. As early as in 2011, METRO GROUP set itself the goal of reducing its greenhouse gas emissions by 20 per cent by 2020. As an almost 20 per cent reduction had already been achieved by 2015 thanks to energy-saving and awareness-raising measures, a new, even more ambitious target was set. To reach our climate protection target, we have resolved to

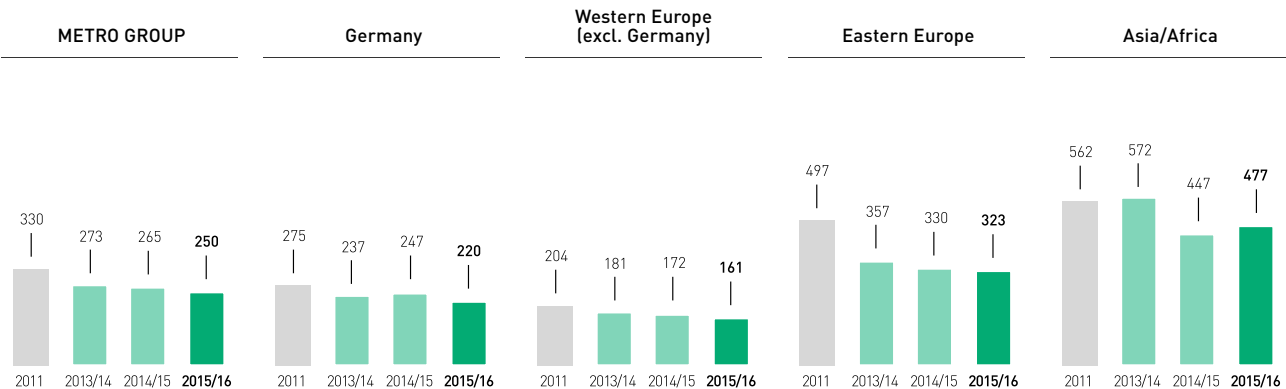
- consume 35 per cent less electricity compared to the reference year 2011,
- reduce climate-damaging refrigerant emissions by 95 per cent by 2030 compared to the reference year 2011 by using natural refrigerants,
- generate significant amounts of emission-free renewable energy ourselves, for instance by using photovoltaic systems in wholesale and department stores, and
- introduce certified energy management systems according to ISO 50001 or energy audits according to EN 16247 at all locations in the EU.

## Status of the climate protection target

From October 2015 to September 2016, METRO GROUP generated 250 kilograms of carbon equivalents per square metre of selling space. In the same period of the previous year, it was

still 265 kilograms. We aim to have reduced this to 165 kilograms per square metre of selling space by 2030.

Greenhouse gas emissions in kg CO<sub>2</sub> (CO<sub>2</sub> equivalents) per m<sup>2</sup> selling space



| Topic                  | Goals                                                                                                                                                                         | Status – goal achievement                                                                               | Measures                                                                                                                                                                                                                                                                    | Status – measures                                                                                        |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| SUSTAINABLE OPERATIONS | METRO GROUP is reducing its greenhouse gas emissions by 50 per cent, from 330 kg CO <sub>2</sub> e/m <sup>2</sup> in 2011 to 165 kg CO <sub>2</sub> e/m <sup>2</sup> in 2030. | <br>Work in progress | Energy Saving Programme: investments to increase energy efficiency and renewable energies.<br>Energy Awareness Programme: strengthen awareness of responsible use of energy.<br>F-Gas Exit Programme: investments in the reduction of emissions from refrigeration systems. | <br>Measure ongoing |

More in-depth information on METRO GROUP's [carbon footprint](#) is available in chapter [Key performance indicators and goals](#).

## Investments in energy efficiency and energy generation

To boost the energy efficiency of our stores, we use energy and make investments responsibly. We employ specific measures to reduce both our energy needs and our costs, while also raising energy awareness.

In financial year 2015/16, among other things we invested €24.3 million in METRO Cash & Carry's energy saving programme, in particular to install LED and other efficient lighting systems and also closed refrigeration equipment in the wholesale stores. This is expected to save more than €6 million annually. Additionally, we commissioned a combined heat and power plant with a power output of 2 × 400 kilowatts in Nizhny Novgorod, Russia.

In September 2016, we were able to open the METRO green store in Dongguan, China, after major modernisation work on an existing wholesale store. The renovation of the wholesale store is to help cut its energy consumption in half. A large proportion of the energy for the green store is generated by solar arrays and small wind turbines with a peak output of 800 kilowatts. Additional steps were taken, including the use of more environmentally friendly refrigerants and advanced waste separation.

In September 2016, the METRO GROUP energy efficiency network "Handel im Wandel" (Retail in Transition) was recognised by the German federal government with a certificate for its active involvement and its pioneering role in climate and resource protection at the annual meeting of the Energy Efficiency Networks Initiative in Berlin.

## Responsible resource management

As part of our corporate and climate protection strategy, we also pay attention to responsible resource management, for instance with respect to our logistics fleet, refrigerants and paper, and sustainable building management. This is based on the [METRO GROUP environmental guidelines](#). With these, we have made a commitment to taking a responsible approach to the environment and to natural resources.

- Wherever technically feasible, we switch to natural refrigerants for our stores' cooling systems, as these are considerably less harmful to the climate.

- Some of our buildings are certified according to standards for sustainable construction and building management. The green store in Dongguan, for instance, operates on the basis of the LEED Gold standard. A building at the company headquarters in Düsseldorf is BREEAM-certified.
- At the company headquarters in Düsseldorf and at other locations, we use mainly recycled paper as office stationery.
- We are systematically switching the logistics fleet of METRO LOGISTICS Germany GmbH (MGL) to lower-emission vehicles. By the end of financial year 2014/15, more than half the vehicles already met the Euro 6 standard. The remaining vehicles are scheduled to be replaced over the course of the next two financial years.

## Environmentally friendly packaging

Other key issues concerning our sustainable operations are waste avoidance and the recycling and reuse of resources.

METRO GROUP pursues the goal of, on the one hand, reducing the environmental impact of the packaging of its own-brand products during the entire life cycle and, on the other, meeting the high quality and hygiene standards our customers expect. To this end, [packaging guidelines](#) were adopted in 2013, which are applicable to all the own-brand product packaging that METRO GROUP buys.

From September 2014 to 2018, we will check and – inasmuch as is possible – reduce the environmental impact of the packaging of 10,000 of our own-brand products.

## Avoiding food waste and loss

Reducing food loss is of particular importance to our METRO Cash & Carry and Real sales lines. Every food item that is not consumed but rejected or discarded constitutes economic, social and ecological waste. For this reason, METRO GROUP has committed itself to a 50 per cent reduction in food loss at its stores by 2025 in accordance with The Consumer Goods Forum's resolution on food waste.

An overview of all the key figures relating to the sustainable operations area of responsibility is available in chapter [Key performance indicators](#).

## Sustainable procurement and assortment

Our aim is to procure products that are safe and unobjectionable from a social and environmental point of view. This forms the basis of responsible product assortment. As a retail company, we also depend on resources being available in the long term as the raw materials are used to produce and package the products that we sell in our stores. To take these aspects into consideration, we observe our group-wide sustainable purchasing policy for all our products. It defines

the basic standards for sustainable supply chain and procurement management. At the same time, our purchasing policy brings together various guidelines that address specific questions relating to individual product and raw material categories and are specified within the sales lines. By developing and implementing such guidelines for sustainable purchasing, we strengthen our procurement channels and contribute to improving the sustainability of our range of products.

More information on the [METRO GROUP procurement policy](#) can be found on our website.

| Topic                                         | Goals                                                                                                                                                                                                                                                                                                                       | Status – goal achievement                                                                          | Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Status – measures                                                                                        |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SUSTAINABLE PROCUREMENT AND ASSORTMENT</b> | By 2015, we will have defined processes with which to assess the sustainability impact of the METRO GROUP sales lines' own-brand products. By continuously implementing our general METRO GROUP purchasing policy on sustainable procurement, we will work on all product categories relevant to aspects of sustainability. | <br>Goal achieved | <p>Assessment of the social impacts of METRO Cash &amp; Carry's own-brand portfolio and its effects on the environment along the supply chain has been completed. The assessment was performed at the levels of raw materials, products and product groups and follows the standard international assessment criteria for social and ecological impacts.</p> <p>The purpose of this process was to establish basic requirements and to make supply chain and procurement management more sustainable in the relevant categories. We accomplished this with our guidelines.</p> <p>Assessing the product portfolio, defining minimum standards and establishing specific KPIs enables METRO Cash &amp; Carry to fulfil the requirements for a more sustainable assortment.</p> | <br>Measure completed |

## Fair and socially equitable working conditions

Social standard systems are an essential part of the process of and also a tool for the implementation of socially acceptable working conditions within our procurement channels. They help us to identify and prevent potential risks by taking specific measures. After all, irresponsible practices undermine people's trust in what we do and therefore also in our business.

The key labour standards defined by the International Labour Organization (ILO) are a fixed part of METRO GROUP's general terms and conditions of purchase. As one of the founding

members of the Business Social Compliance Initiative (BSCI), we have also been involved for years in systematically establishing socially fair working conditions in the manufacturing of our own-brand products. Our approach is to assist our suppliers and production facilities in setting up a suitable management process. As evidence of fair and socially equitable working conditions, we accept either audits based on the BSCI requirements or equivalent social standard audits.

### Fire prevention and occupational safety training

We endeavour to sensitise our partners to specific aspects of safe working conditions. Fire prevention is one of our most

important requirements. For this reason, we check the fire prevention precautions of our own-brand manufacturers – including escape routes, emergency exits, fire extinguishers and regularly held fire drills – as well as the relevant management processes.

In addition to our ongoing auditing programmes, METRO GROUP's import organisation, MGB METRO GROUP Buying Hong Kong, has been conducting fire prevention and occupational safety training courses for producers in Bangladesh and other risk countries in conjunction with our cooperative partners since February 2013. In financial year 2015/16, we were able to train some 600 producers in addition to the training programmes offered by the BSCI. In order to improve the structural safety of textile factories in the production countries, we signed the Bangladesh Accord on *Fire and Building Safety* in 2013. The accord came about as part of a multi-stakeholder initiative involving company representatives, trade unions and NGOs. By signing the accord, we further extended our commitment to improving working conditions in the supply chain.

## Auditing producers

We aim to audit all the producers in defined risk countries (based on a BSCI assessment) that supply MGB Hong Kong with import articles and also producers that manufacture own-brand clothing, footwear, toys and consumer durables for the METRO GROUP sales lines on the basis of the BSCI standard or equivalent standards. As of 30 September 2016, this comprised a total of 1,632 producers. Of these, 86 per cent (1,405 producers) passed the audit. Producers whose audit results identified a need for improvement have twelve months to provide proof of those improvements through a follow-up audit. As of 1 January 2017, METRO Cash & Carry and Real will

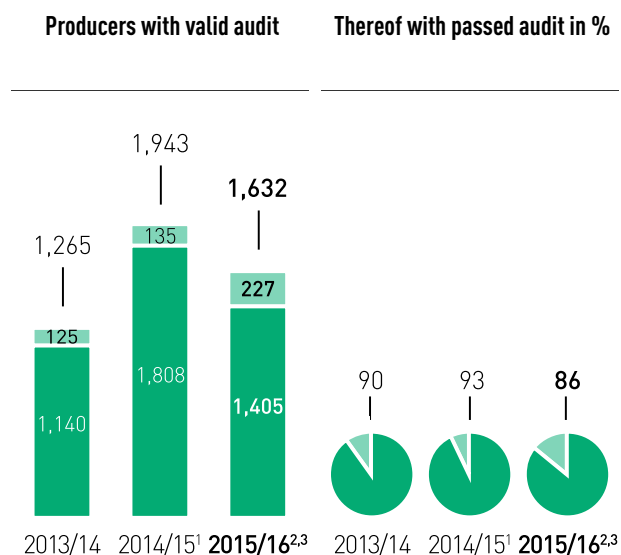
tighten the requirements for suppliers such that new producers will only be used if their audit results are at least acceptable. A two-year transitional period will apply to current producers.

## Establishing the deal breaker processes

As a further measure contributing to ensuring socially acceptable work conditions, we defined so-called deal breaker processes in 2016, in addition to the BSCI standard processes. The assessment criteria comprise the aspects of child labour, forced labour, occupational safety (in particular fire prevention) and ethical behaviour. The deal breaker process ensures that suppliers and their producers who identify a deal breaker develop short-term and long-term solutions to remedy the critical findings. To make sure our suppliers and producers comply with these requirements, orders which are already in production may be completed, but new orders or follow-up orders will be stalled until the findings of the deal breaker process have been rectified.

As of 30 September 2016, there were deal breaker findings relating to 50 non-food own-brand manufacturers. This equates to 3 per cent of all the producers audited. Among the deal breaker findings as at the reporting date, 83 per cent showed a heightened risk in the category of occupational safety, in particular concerning fire prevention, 14 per cent presented a heightened risk concerning child labour, and 2 per cent a heightened risk in the areas of forced labour and ethical behaviour. During the reporting period, 74 per cent of the producers with deal breaker findings were able to document improvements and 26 producers were barred from receiving further orders due to insufficient corrective measures.

## Social audits of own imports through MGB Hong Kong and non-food own brands of the METRO GROUP sales lines SDG10



### Producers with passed audit

Producers that have passed the audit can demonstrate their successful compliance with the BSCI standard or an equivalent social standard system by presenting a certificate awarded by an independent third party.

<sup>1</sup> Adjustment of the 2014/15 figures for social audits at producers relating to own imports through MGB Hong Kong; in addition, the 2014/15 figures include producers relating to non-food own brands of the METRO GROUP sales lines.

<sup>2</sup> Adjustment of the 2015/16 figures due to the sale of the former METRO GROUP sales line Galeria Kaufhof.

<sup>3</sup> From 2015, adjustment of BSCI rating system from three rating categories (good/improvements needed/non-compliant) to five rating categories (A/B/C/D/E). The result "improvements needed" was understood as a passed audit. Under the new measurement system, a portion of the previous "improvements needed" results was assigned to the categories "C" (passed audit) and "D" (failed audit). This adjustment resulted in a lower share of producers with a passed audit in the last financial year.

**Definition:** Status of all the producers in defined risk countries in which MGB Hong Kong has import goods manufactured based on the assessment of the Business Social Compliance Initiative (BSCI), and of producers that manufacture own brands or own imports in the areas of clothing, shoes, toys and consumer durables for the METRO GROUP sales lines. Producers that have passed the audit can demonstrate their successful compliance with the BSCI standard or an equivalent social standards system by presenting a certificate awarded by an independent third party.

**Explanation:** 1,632 producers were audited as of 30 September 2016. Of these, 86 per cent (1,405 producers) passed the audit. Producers whose audit results identified a need for improvement have twelve months to provide proof of those improvements through a follow-up audit. As of 1 January 2017, METRO Cash & Carry and Real will tighten the requirements for suppliers such that new producers will only be used if their audit results are at least acceptable. A two-year transitional period will apply to current producers..

The key performance indicator relates to all the factories of which we are made aware by our suppliers.

| Topic                                         | Goals                                                                                          | Status – goal achievement                                                                            | Measures                                                                                                                                                                                                                                                                                                                                                                                                                         | Status – measures                                                                                     |
|-----------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>SUSTAINABLE PROCUREMENT AND ASSORTMENT</b> | METRO GROUP is intensifying its commitment to ensure fair working conditions at its suppliers. |  Work in progress | Continued inclusion of all non-food own-brand producers <sup>1</sup> in a valid BSCI or equivalent social standard system and increase the proportion of valid audits for products manufactured in a risk country <sup>2</sup> .<br><br>Tightening of requirements made to suppliers of METRO Cash & Carry and Real such that all the producers used <sup>1</sup> must have at least acceptable audit results by 1 January 2019. |  Measure ongoing |

<sup>1</sup> This includes merchandise factories (non-food own brands and own imports) that carry out the final significant and value-creating production step.

<sup>2</sup> BSCI definition of a risk country.

## Sustainable consumption

Our sales lines aim to generate added value for their customers. Their specific ranges of products and services are composed in such a way that they meet even the most diverse needs of private and commercial customers optimally. Products and services must not only conform to the highest standards of safety and quality; it is also becoming increasingly important that they are socially and environmentally sound – from their production and procurement to usage and ultimately disposal. We therefore rigorously focus on measures

with which we can influence these aspects and create a high degree of transparency throughout the entire value chain.

### Sustainable and transparent procurement

We aim to procure products which are environmentally, socially and economically sustainable. The basis for this is our sustainable purchasing policy for all products.

| Topic                                         | Goals                                                                                                                                                                                                                                                                                                                       | Status – goal achievement                                                                          | Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Status – measures                                                                                        |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SUSTAINABLE PROCUREMENT AND ASSORTMENT</b> | By 2015, we will have defined processes with which to assess the sustainability impact of the METRO GROUP sales lines' own-brand products. By continuously implementing our general METRO GROUP purchasing policy on sustainable procurement, we will work on all product categories relevant to aspects of sustainability. | <br>Goal achieved | <p>Assessment of the social impacts of METRO Cash &amp; Carry's own-brand portfolio and its effects on the environment along the supply chain has been completed. The assessment was performed at the levels of raw materials, products and product groups and follows the standard international assessment criteria for social and ecological impacts.</p> <p>The purpose of this process was to establish basic requirements and to make supply chain and procurement management more sustainable in the relevant categories. We accomplished this with our guidelines.</p> <p>Assessing the product portfolio, defining minimum standards and establishing specific KPIs enables METRO Cash &amp; Carry to fulfil the requirements for a more sustainable assortment.</p> | <br>Measure completed |

We also ensure transparency with respect to the resources used and the procurement of products by means of direct relations with our business partners. Our international traceability solution in all different segments, which we developed in conjunction with other retailers, high-profile partners and the standardisation organisation GS1 Germany, likewise contributes to this. It allows us to collect relevant data –

regarding products and suppliers, for instance – electronically and merge it via a software platform. This makes access to this information considerably easier and more reliable for customers and other users. It also ensures that our commercial customers can in turn provide their customers with information about the origin and nature of the goods they sell.

| Topic                                                                  | Goals                                                                                                                                              | Status – goal achievement                                                                             | Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status – measures                                                                                      |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>SUSTAINABLE PROCUREMENT AND ASSORTMENT/ SUSTAINABLE CONSUMPTION</b> | METRO GROUP is initiating and supporting the development of an international, multi-industry and product-spanning technical traceability solution. | <br>Work in progress | Following successful implementation of the traceability solution PRO TRACE for fish and meat product categories at METRO Cash & Carry Germany, it was also launched in other countries in early 2015. At present the project is involving ten countries and the international trading offices; Hungary, Spain, France, the Czech Republic and Turkey have already successfully entered the pilot phase. Another four countries are preparing the piloting. Additional countries as well as other interested suppliers from selected areas of the product range will be included in the project at the international level in 2017.<br>METRO Cash & Carry Germany has successfully completed the pilot project in the fruit and vegetables category. | <br>Measure ongoing |

In order to provide better customer guidance, we also use labels that certify products according to specific sustainability standards. Our own brands are likewise labelled accordingly. We additionally provide information in our stores and talk to our customers, thereby supporting and promoting responsible consumption among our customers.

## Sustainable product range

Our sales lines' product ranges include fair-trade articles and food products that bear the European organic symbol. In financial year 2015/16, sales of fair-trade products at METRO Cash & Carry and Real in Germany totalled almost €12 million. This figure includes products that bear the Fair-trade or GEPA label. During the same period, our sales lines achieved Germany-wide sales totalling €130 million with products which are certified in accordance with the EU regulation on organic farming. Our range also includes products caught using sustainable fishing practices and aquaculture. We define these as products bearing the Marine Stewardship Council (MSC) logo, the Aquaculture Stewardship Council (ASC) logo or the EU organic logo. In financial year 2015/16, METRO Cash & Carry and Real generated sales of over €86 million in Germany with their sustainable fish range (previous year: €81 million with these standards). Real generated sales of €367 million with regional products in the past financial year. The sales line is increasingly offering its customers products from sustainably managed forestry. Revenues generated with products bearing the label of the Forest Stewardship Council® (FSC®) or the Programme for the Endorsement of Forest Certification (PEFC) exceeded €13 million. Media-Saturn generated group-wide revenues of over €3 billion with energy-efficient electrical appliances. Due

to our customers' increased interest in more sustainable products and the potential this offers our business, we keep working on enlarging the proportion of more sustainable products in our portfolio. Specifically, Real adopted a CSR purchasing guideline with the aim of generating 30 per cent of its revenue from the sale of sustainable products by 2019. The focus is being placed on regional products, fruit and vegetables from permaculture production and projects in the area of animal welfare.

Key performance indicators on [Sustainable consumption](#) can be found in chapter [Key performance indicators and goals](#).

## Reducing and avoiding waste

Responsible consumption involves the use and consumption of goods too. We therefore see it as our duty to keep the resulting waste to a minimum. We attach importance to promoting innovative production and recycling technologies and to thinking in cycles. As our products and packaging are in our customers' possession when they reach the end of their useful life, we advise our customers on the best way to dispose of them: at selected branches, we raise our customers' awareness of resources, inform them about ways to avoid waste and create incentives and options for disposing of products properly. In this way, we play our part in ensuring that waste is transformed back into raw materials.

This is exemplified by our involvement in the Retailers' Environmental Action Programme (REAP). The purpose of this joint platform of large European retail companies and the European Commission (Directorate-General for Environment)

is to promote the exchange of experience and the presentation of exemplary projects in the field of environmental and resource management. The METRO GROUP sales lines are involved in the current REAP mandate, which runs from 2016 until 2018 and is devoted to the issue of circular economy, with various goals and measures designed to contribute to achieving a circular economy. These include:

- Establishing collection points for used cooking fats and oils for reuse as energy sources
- Not providing free plastic bags, in order to reduce the use of resources
- Developing a customer guidance system for products which can be recommended in terms of sustainability in order to support conscious purchase decisions

An [overview of all the goals](#) is available on the European Commission's website.

## Social engagement

As a retail company, METRO GROUP has close ties with its social environment. We cultivate relationships with many millions of people every day: people who work with or for us at our branches, people who shop at our stores or people with whom we have some other relationship. Our social and environmental responsibility in the places where we are based and interact with people is another thing that we see as a means of adding value, as it goes towards tackling social challenges. At the same time, we support employees who actively participate in our activities by helping them to hone their social skills and allowing them to work on their own initiative. By enabling them to address social issues at work, we raise awareness of METRO GROUP's close ties with society. This is crucial if we are to survive in the market in the long term. It also helps our employees to identify more strongly with the company.

| in € thousand          | 2013/14 <sup>1</sup> | 2014/15      | 2015/16      |
|------------------------|----------------------|--------------|--------------|
| Charitable donations   | 2,555                | 2,450        | <b>1,400</b> |
| Community investments  | 1,743                | 1,949        | <b>2,815</b> |
| Commercial initiatives | 3,227                | 3,574        | <b>3,326</b> |
| <b>Total</b>           | <b>7,525</b>         | <b>7,973</b> | <b>7,541</b> |

<sup>1</sup> Category allocation was adjusted

## Active involvement in food banks

Our diverse activities aim to foster intercultural dialogue, to lend support to our locations and their local communities, and to provide direct assistance to those in need. We do this, for example, through our active involvement in more than 900 local food banks in Germany and in 14 other countries where we operate. At the national level, we support the national food bank network Bundesverband Deutsche Tafel e. V. as its main financial sponsor. This partnership has existed for ten years and in 2016 it was extended until 2020 ahead of time. At the European level, METRO GROUP supports the European Federation of Food Banks (FEBA).

We also help local populations in emergency situations such as natural disasters by making donations in kind.

## Efforts for refugees

Numerous METRO GROUP employees are personally engaged on behalf of refugees, participating in support activities such as donations of food, clothing, equipment and toys for refugee camps. To provide unbureaucratic assistance and acute emergency relief and to contribute to the integration of refugees, METRO GROUP launched the "We Help" programme in autumn 2015. The Management Board of METRO AG provided €1 million for this. Employees of the group could apply for one-off funding of up to €10,000 each for local projects, provided they were themselves actively involved as volunteers in the project for which the funding was being requested. In this manner, the staff members were supported in their active involvement in their immediate environment – for example in language instruction, multicultural sports programmes or sponsorships for adolescents. In 2015/16, 119 projects and initiatives were supported in six countries, thereby helping approximately 33,000 people.

Thanks to the great success of “We Help”, the Management Board decided to continue the programme in the new Wholesale & Food Specialist Company from 2017. The focus of the programme will be expanded in financial year 2016/17. The funding will then be open to all volunteer work engaged in by staff members.

Additionally, METRO GROUP supported the International Federation of Red Cross and Red Crescent Societies (IFRC) and the national Red Cross societies with financial donations during the acute emergency in autumn/winter 2015 in order to help in the countries where the needs of the arriving refugees were greatest. The stores of Real and METRO Cash & Carry

also provided quick and unbureaucratic assistance at the local level with contributions in kind and logistics services.

## Donations and sponsorship

METRO GROUP actively promotes an intact and attractive social environment by means of donations and sponsorship. The donations and sponsorship guidelines define the way in which measures are to be implemented to generate a positive public image and prevent the misuse of donations and sponsorship.

| Topic                    | Goals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status – goal achievement                                                                               | Measures                                                                                                                                                                                                                                                                                                                                                                                                                               | Status – measures                                                                                         |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>SOCIAL ENGAGEMENT</b> | METRO GROUP is expanding its food donation activities to international food bank initiatives from currently 15 METRO Cash & Carry countries to at least 17 countries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <br>Work in progress   | METRO Cash & Carry cooperates with food bank initiatives in 15 out of 25 countries. In the remaining countries, external circumstances such as political and tax-related factors make collaboration difficult.<br><br>METRO Cash & Carry is currently in communication with local aid organisations and political representatives in order to also push cooperation in those countries where external circumstances make it difficult. | <br>Ongoing measure    |
|                          | METRO GROUP's Community Involvement Programme "We Help" was launched at the start of financial year 2015/16. Its purpose is to provide unbureaucratic assistance and acute emergency relief and to contribute to the integration of refugees. The Management Board of METRO AG provided a total of €1 million for this purpose. Group employees can apply for one-off funding of up to €10,000 each for projects that they wish to support. This gives committed employees the opportunity to become actively involved in their immediate environment. By the end of financial year 2015/16, a total of €1 million shall be expended on refugee relief in Europe. We have thus increased the budget for social investment (corporate citizenship) by €1 million. | <br>Goal achieved      | The programme is being rolled out and promoted within the group. Online and offline, we want to inspire as many of our employees as possible to become involved.<br><br>In the past financial year, we received 119 applications from six countries for projects which provided assistance to approximately 33,000 people.                                                                                                             | <br>Measure completed  |
|                          | Due to the great success of the Community Involvement Programme, the Management Board has decided to continue it in financial year 2016/17. In 2017, all subsidiaries of the Wholesale & Food Specialist Company created from the planned demerger of METRO GROUP will have the opportunity to apply for financial support for their personal work endeavours. All kinds of voluntary work are welcome.                                                                                                                                                                                                                                                                                                                                                          | <br>Work in progress | The new programme is rolled out and promoted within the group. We will encourage as many colleagues as possible, online and offline, to get involved.                                                                                                                                                                                                                                                                                  | <br>Measure launched |
|                          | The METRO GROUP Marathon has been held in Düsseldorf every year since 2005. One of the reasons of this sponsorship is to foster employee loyalty. Participation not only increases team spirit but also promotes the health of participants. On average, nearly 700 co-workers take part each year. In 2016, this number was expected to be increased to 800; with 775 employees the goal was nearly reached. We will therefore continue to work on increasing the number of participants.                                                                                                                                                                                                                                                                       | <br>Work in progress | Step up promotion of the METRO GROUP Marathon via the group's social intranet both within Germany and abroad.                                                                                                                                                                                                                                                                                                                          | <br>Measure ongoing  |

# SUSTAINABILITY APPROACHES OF THE SALES LINES

## METRO Cash & Carry

### Sustainability approach

Absolute customer focus is the primary motivation for METRO Cash & Carry. We want to be the best partner to independent entrepreneurs. We regard the challenges our customers face

as our own, we tackle these challenges and we offer our customers the best solutions, including in terms of sustainability. Because we firmly believe that commercial success goes hand in hand with sustainable actions.



“At METRO Cash & Carry, value is added on-site – where we do business, at our stores and where our customers are in 25 countries, or even 35 countries if you include the Food Service Distribution operations of Classic Fine Foods. And this is true for economic as well as for sustainable value. This gives us a clear purpose as a company. As a Champion for Independent Business, it is our aim to support the activities of our customers and partners with sustainable products, services and inspiration – in ways that are as local, customised and effective as possible. Our strong relationships with our partners on the ground are absolutely essential in this.”

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**PIETER C. BOONE**

Member of the Management Board of METRO AG and CEO of METRO Cash & Carry

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As an international wholesale company, METRO Cash & Carry has an enormous reach. We operate approximately 750 stores in 25 countries with our more than 107,000 employees. Locally, we reach some 21 million customers – and together with them countless consumers. We use this leverage to assist our partners and customers and also their consumers in acting sustainably. By implementing specific measures, we contribute to mastering challenges and seize opportunities for our business. Additionally, we boost acceptance among our stakeholder groups and enhance our reputation.

The measures we take are focused on four areas:

- We offer our **employees** an attractive work environment and prospects for the future so that they can give our customers optimum support.
- We handle limited resources such as fossil fuels and other raw materials responsibly in our own **operations**. This gives us leeway for investments to come up with attractive solutions for our customers and for new business areas, and it also helps us to counter the consequences of climate change.
- We manage our **sourcing** and select our **product assortment** responsibly. As a result, we can offer our customers sustainable products and services. Additionally, we pass our expertise in the fields of resource management, sourcing and assortment composition onto independent entrepreneurs in order to generate long-term business perspectives and a competitive edge for them and for us.

- We encourage them to act sustainably by assuming responsibility ourselves and by inspiring customers and partners with our new ways of thinking. This makes us an attractive partner for internal and external stakeholders as well as existing and prospective employees, customers, business partners and representatives from the fields of politics and science and of associations. In addition, with our **commitment** to social and ecological concerns, we make a contribution to society at our stores and wherever help is needed.

Sustainability vision

Sustainability is an integral part of the core business of METRO Cash & Carry. We established the strategic framework for this with METRO SUSTAINABLE. It is based on our vision:

As Champion for Independent Business we will make trading sustainable and by doing so overcome conventional limits to growth. Bringing our needs and ambitions in line with the needs of nature, people and future generations will provide METRO with long-term prospects for prosperity. By inspiring, motivating and enabling our customers and partners alike, we can leverage this vision to millions.

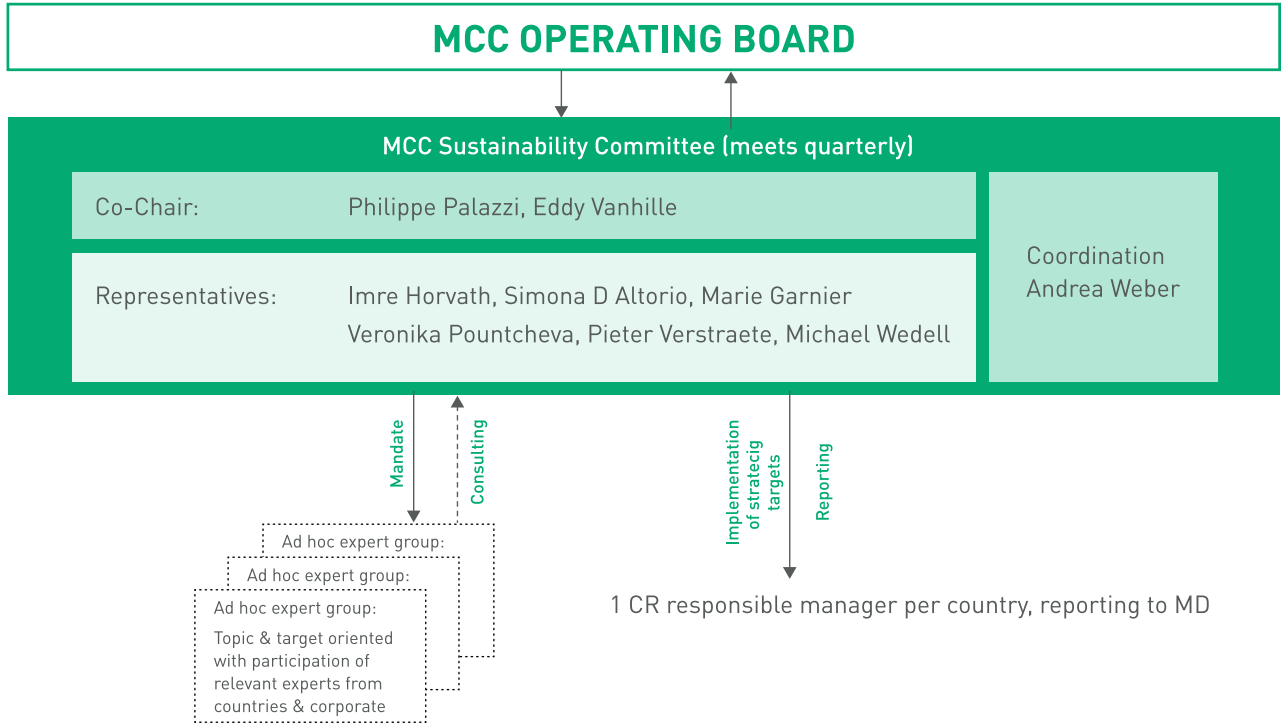
Within this framework, we have defined fields of action for METRO Cash & Carry and have set concrete targets for our company.

The four fields of action of METRO Cash & Carry are:

- Operations
- Offer
- Employees
- Corporate Citizenship

Governance

Our established governance structure, which consists of our Sustainability Committee and the sustainability managers at the corporate and national levels, ensures efficient implementation and constant control.



## Field of action operations

METRO Cash & Carry handles limited resources such as fossil fuels and other raw materials responsibly in its own operations. This gives the company leeway for investments to come up with attractive solutions for its customers and for new business areas, and it also helps to counter the consequences of climate change.

In the field of action operations, METRO Cash & Carry focuses on four key topics. The company

- optimises its resource consumption,
- improves its energy efficiency and conserves energy,
- lowers its greenhouse gas emissions and
- reduces its waste.

Experience in handling these issues can also be factored into solutions for METRO Cash & Carry customers in the future, for example when offering advice to independent entrepreneurs regarding energy-efficient store fittings. Consequently, the customer can also save money and environmental impacts can be mitigated.

## Targets in the field of action operations

- METRO Cash & Carry aims to reduce its specific greenhouse gas emissions by 55 per cent by 2030 compared to 2011. In this effort, the company is focusing on emissions which occur due to the use of energy, refrigerants and paper, and emissions relating to in-house logistics and business travel.
- METRO Cash & Carry aims to halve the food waste in its own operations by 2025. This is the target to which METRO GROUP has committed itself as part of The Consumer Goods Forum's Food Waste Resolution.

Thanks to various activities, the company has already succeeded in lowering its greenhouse gas emissions per square metre of selling space by 20 per cent in financial year 2015/16 compared to 2011. Individual measures from the METRO Cash & Carry countries are presented below as examples.

## Energy efficiency and energy conservation

The issues of energy conservation and energy efficiency, and thus also of the optimisation of resource consumption in combination with the goal of reducing carbon emissions, are relevant to all METRO Cash & Carry countries alike. The national subsidiaries must meet specific requirements and implement corresponding measures contributing to achieving the overall target. Thanks to the work of the operation directors within METRO Cash & Carry's Energy Federation, successes and lessons learned can be shared.

In the course of ongoing energy saving and energy awareness programmes, global investments totalling nearly €25 million were made in the reporting period. The measures are implemented by energy managers in various projects in the wholesale stores and are designed to contribute annual savings of more than €6 million.

In addition, METRO Cash & Carry is implementing further measures relating to store modernisations and new builds. We distinguish between three efficiency levels:

- The energy-efficient wholesale store in which efficient technologies for the fittings and systems result in energy savings, specifically with regard to lighting and closed refrigerators
- The green store, which requires approximately 50 per cent less energy than the energy-efficient store
- The carbon-neutral wholesale store, with operations that do not cause any carbon emissions

## Examples: store modernisations and new builds

In September 2016, METRO Cash & Carry China reopened a wholesale store as a METRO green store in Dongguan following comprehensive modernisation. The aim of the modernisation work is to halve the store's annual energy consumption. A large proportion of the energy for the wholesale store is generated by solar arrays and small wind turbines with a peak output of 800 kilowatts. Other measures such as heat recovery from refrigeration systems, the use of natural light via so-called solar tubes, the installation of automatic sliding doors, optimised ventilation and the carefully planned utilisation of rainwater improve energy efficiency and contribute to the conservation of valuable resources. In addition, a CO<sub>2</sub> cascade system was installed at the Dongguan store to make refrigeration more efficient and more eco-friendly: by using refrigerants with lower global warming potential, the wholesale store is lowering its emissions of carbon equivalents (CO<sub>2</sub>e) caused by the discharge of refrigerants, while at the same time using less electricity for the refrigeration process.



The Casa dell'Horeca METRO Cash & Carry wholesale store in Baranzate, Italy, is a model of integrated energy management. Here, solar panels are used for the generation of electricity and hot water, the wholesale store's green wooden façade helps to increase biodiversity and the sales reps drive electric cars.

There are also examples of decentralised energy generation at stores in the reporting period: in addition to an existing system, METRO Cash & Carry installed another eight photovoltaic systems in China for emission-free electricity generation, as well as a second photovoltaic system in Turkey. Together with E.ON, the company commissioned a natural gas-fired combined heat and power plant with output of 2 × 400 kilowatts for the generation of electricity and hot water in Nizhny Novgorod, Russia, in September 2016. Another identical system is currently being built in Ivanovo, Russia.

## Lowering greenhouse gas emissions by means of electromobility

The METRO Cash & Carry countries implement various measures with a view to reducing their own greenhouse gas emissions and additionally offering customers suitable solutions. For instance, METRO Cash & Carry France is exploring new avenues with a project designed to conserve resources and reduce carbon emissions: a pilot project in the area of electromobility has been under way since December 2015, and the company now uses eleven electric cars in its customer service department. Electrically powered delivery vehicles with refrigeration systems are also to be used from the end of 2016. The initial results of the pilot project show that METRO Cash & Carry France is saving 9.6 tonnes of carbon per annum by using electric vehicles. On the basis of the results of the

pilot project, additional regions are to be included in the next step.

In Ukraine, METRO Cash & Carry provides electric car charging points for customer cars in partnership with the company Toka. Since the first facility was installed in Kiev in 2015, a further seven charging points have been set up.

## Waste reduction

In order to achieve its goal of reducing food waste, METRO Cash & Carry pursues an integrated approach. The company works with partners all along the value chain, from the field and logistics to store processes and the consumer. The company aims to reduce food waste in its own operations by 50 per cent by 2025.

### In its own operations

A measure taken by METRO International Supply demonstrates that food waste can be reduced by means of carefully planned processes and smart data use. The service company operates a network of regional warehouses in Italy and the Netherlands. By analysing write-off data, the company was able to determine its percentage of food waste and the associated disposal costs, and then identify potential ways in which to avoid both the waste and the costs. Non-saleable goods are now no longer destroyed, and are instead donated to local food banks in good time. In this way, METRO International Supply was able to reduce its disposal costs by 64 per cent and its food waste by nearly 90 per cent within one financial year.

To reduce food waste in its wholesale stores, METRO Cash & Carry carries out best-before date monitoring. The aim is to take best-before dates into account when stocking shelves and to make products available before they reach their best-before date. An example of this is the approach taken by METRO Cash & Carry Romania. In its incoming goods department, the company uses a system with which it can simulate and analyse merchandise orders, plan them more precisely and manage them more in line with demand. This process was also optimised because stock that is not entirely sold ends up being marked down. At outgoing goods, a price reduction system allows staff members to quickly and easily reduce the prices of products whose best-before date is approaching.

## Solutions for the customer

METRO Cash & Carry also talks to its commercial customers specifically about this issue to achieve a reduction in food waste. The consumers are likewise taken into account in this effort. For example, together with various project partners, the company developed special boxes for restaurants and caterers in Italy, France and Germany, for uneaten food to be taken home in.

For example, METRO Cash & Carry France supports the Gourmet Bag initiative of the food authority DRAAF Auvergne-Rhône-Alpes. A special label identifies participating restaurants and encourages guests to specifically ask for doggy bags. METRO Cash & Carry France has developed a comprehensive package for newcomers to the programme. In addition to background information and tips on how to avoid waste, it contains Gourmet Bag door stickers and reusable doggy bags.

In Italy, METRO Cash & Carry launched a similar project called Schiscetta Reverse during EXPO 2015 together with the UN World Food Programme (WFP) and the Food Bank Organisation. Schiscetta is the Milanese term for a container that people use to take food from home to work. The project of the same name uses the reverse process by encouraging consumers to have dishes they have not finished at restaurants wrapped up to take home.

In 2016, METRO Cash & Carry conducted a representative survey on food waste in Germany. The key finding of the study was that not wasting food is very important or important to 98 per cent of restaurateurs in Germany. Nearly two thirds of restaurateurs already offer their guests the option of taking their leftovers home. METRO Cash & Carry stays abreast of these changes and purposefully helps its customers to reduce food waste – not only with its leftovers box “Beste-Reste-Box”, which has been available in its wholesale stores since 2016. As an official partner of the United Against Waste association, the company also offers seminars that teach ideas about and approaches to the reduction of food waste. In addition, restaurants and canteens can employ a waste analysis tool to find out where in their organisation they can improve the utilisation of resources.

METRO Cash & Carry aims to sensitise its customers to responsible and sustainable consumption not only by disseminating specific information and with campaigns. The company also supports its customers with specific activities, including in the area of waste disposal. For example, customers in Paris can return plastic bottles and tins at their wholesale store using their METRO customer card. In the course of this project, which includes not only customers, but also producers and disposers, METRO Cash & Carry France accepted approximately 16,000 tins and 13,000 plastic bottles in financial year 2015/16.

In Ukraine, METRO Cash & Carry initiated a recycling project together with Carlsberg in October 2015: the wholesaler set up a return station in its car park where customers could return beer bottles. By August 2016, a total of 92,000 bottles had been collected for reuse and 384,000 bottles were sent for recycling.

## Field of action assortment

METRO Cash & Carry procures and selects its goods responsibly and can therefore offer its customers sustainable products and services. In addition, the company shares its know-how in the fields of resource management, procurement and product range composition with independent business owners. In this manner, METRO Cash & Carry generates long-term business prospects and a competitive edge – both for its customers and the company.

In the field of action assortment, METRO Cash & Carry focuses on three subject areas:

- **Responsible sourcing:** The company aims to procure goods on whose quality, safety and sound social and environmental credentials the customers can rely. METRO Cash & Carry is therefore in direct contact with its suppliers and promotes the traceability of products and responsible supply chain management.
- **Responsible assortment:** The company also generates added value by selecting its assortment responsibly, offering sustainable products and services, and optimising the product packaging.
- **Responsible consumption:** Additionally, METRO Cash & Carry assists its customers in making purchasing decisions in favour of sustainable products, thereby also promoting a sustainable lifestyle.

## Responsible sourcing

To offer its customers an attractive and unique range of products which is distinguished by its diversity, freshness and high quality in all the stores, the company operates six International Trading Offices in Boston, Concarneau, Rotterdam, Valencia, Düsseldorf and Hong Kong for the sourcing of food items and another office in Hong Kong for the sourcing of non-food supplies. It handles all the purchasing for the national organisations via these offices. The company sources products directly from their place of origin and makes targeted use of procurement marketing potential and synergies. The concept of direct sourcing from the growers and producers makes for optimised supply chains and enables the company to maintain a high level of product quality, freshness and safety, and build up long-term, transparent relationships with the suppliers. Treating suppliers in a truly ethical manner and building up a partnership is key, regardless of whether a supplier is from nearby or thousands of kilometres away.

## Responsible supply chain management

As an international wholesale business, METRO Cash & Carry works with a large number of suppliers, growers and producers. By promoting adherence to social standards, the company assumes responsibility all along the value chain. METRO Cash & Carry is committed to the key labour standards of the [International Labour Organization](#) (ILO) and rigorously advocates the systematic establishment of fair and just working conditions among own-brand manufacturers. The company therefore demands that its non-food own-brand suppliers submit proof of BSCI certification or certification in accordance with an equivalent social standard system.

For more information see the chapter [Sustainable procurement and assortment](#)

## Transparency in the value chain

Tracing goods is a key issue at METRO Cash & Carry. The company aims to generate a high degree of transparency along the entire value chain and to trace products back to their source in order to protect resources and avoid illegal activities. Traceability and controlled procurement on the basis of concrete guidelines for sustainable purchasing also enable METRO Cash & Carry to guarantee the safety and high quality of its products and to assist customers in satisfying legal requirements.

Together with other retailers, renowned partners and the standardisation organisation GS1 Germany, the company has developed a multi-industry solution which allows products to be traced all the way from their origins to the customer's purchase. Approximately 700 fish products and 2,000 meat products can currently be traced in Germany with the PRO TRACE app.

To ensure maximum product safety, quality and the traceability of food items, METRO Cash & Carry and the company Star Farm, which is also owned by METRO GROUP, have initiated a special project in Pakistan. In January 2016, the two cooperative partners opened the first corporate traceable farm in More Khunda in Nankana Sahib District, about 75 kilometres west of Lahore. The farm is growing fruit and vegetables, initially exclusively for the METRO Cash & Carry wholesale stores in Pakistan. The products bear a 19-digit barcode and can be traced by the customers all along the supply chain, all the way back to the farm. This approach therefore not only

helps to bolster the customers' confidence in the quality of the products – it also helps METRO Cash & Carry Pakistan to recall goods which do not meet the company's high standards.

### Supplier survey on water use

Use of the resource water is another issue which has strategic significance for METRO Cash & Carry. To gain an overview of water use in the supply chain, the company surveyed a selection of strategic suppliers in 2016 on their risks and opportunities as well as management methods concerning water. METRO Cash & Carry generates approximately 16 per cent of its revenue with these suppliers. The survey was conducted via the supply chain programme of CDP (formerly the Carbon Disclosure Project). At 62 per cent, the response rate for this first-time survey was high.

Here is an overview of the key results of the survey:

- 80 per cent of the respondents identified risks associated with water
- 25 per cent see concrete risks relating to their business with METRO Cash & Carry
- 77 per cent of the respondents see not only risks in connection with water, but also opportunities for their business
- 84 per cent have integrated the issue of water into their business strategy
- 86 per cent have set water-related targets

The survey gives METRO Cash & Carry a solid basis for understanding where there are water-related risks in the supply chain and what those risks are. It also provides touchpoints for further discussion and potential partnerships with the suppliers.

### Responsible assortment

#### Goals in the area of a responsible assortment



With the revision of its [purchasing policy for fish and seafood](#) in 2016, METRO Cash & Carry has set itself a new goal: by 2020, 80 per cent of the

twelve best-selling types of fish and seafood at METRO Cash & Carry are to have sustainability certification which is recognised by the company. As part of the Global Sustainable Seafood Initiative (GSSI), METRO Cash & Carry advocates the harmonisation of the certificates for sustainable fish available around the world.

- METRO Cash & Carry is committed to only using palm oil from sustainable sources for its own-brand products by 2020. In this respect, the company is guided by the criteria of the Roundtable on Sustainable Palm Oil (RSPO) ([palm oil purchasing policy](#)).
- By 2020, a full 100 per cent of the wood and paper used for own-brand products is to come from sustainable forestry ([wood and paper purchasing policy](#)).
- METRO Cash & Carry has also set itself the target of reducing the use of packaging material and its impact on the environment ([packaging purchasing policy](#)). To achieve this, the company wants to develop innovative solutions that can reduce the product weight, improve product arrangement on pallets and lower the costs for the customers.
- By 2018, METRO Cash & Carry aims to
  - check the packaging of 10,000 own-brand products regarding their impact on the environment and – if possible – improve it,
  - have METRO Cash & Carry beverage cartons certified by the system of the [Forest Stewardship Council®](#) (FSC®) and
  - do away with packaging made of polyvinyl chloride (PVC) by 2018 and replace it with more sustainable alternatives.

Both the International Trading Offices and the local purchasing departments of the METRO Cash & Carry country organisations are working on implementing these goals.

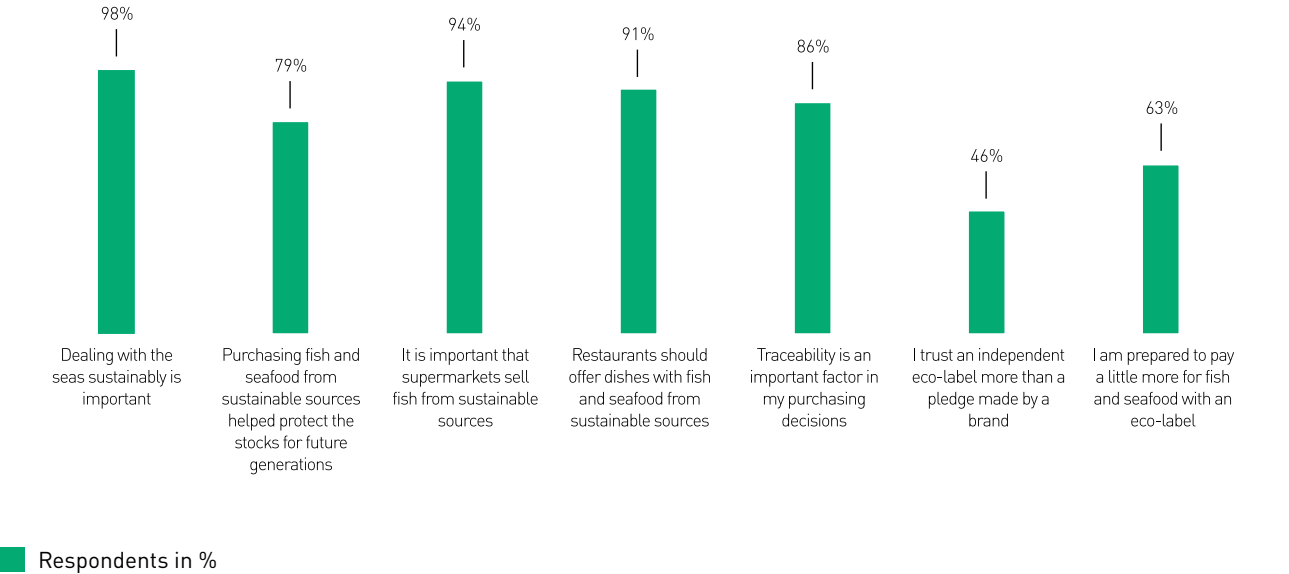
Fish from sustainable fishery

Fish is becoming ever more significant with regard to the safeguarding of food supplies. Already, billions of people are dependent on the seas as their primary food source. However, fish is not a resource that is available in infinite amounts. Nearly a third of the oceans' stocks is overfished and about 85 per cent is deemed to be used to the maximum degree possible. Stocks are further decimated by illegal fishing and high by-catch rates. As one of Europe's leading fish wholesalers, METRO Cash & Carry assumes a special responsibility and has taken action in various ways:

- The company offers fish caught using eco-friendly fishing practices which preserve stocks and fish from certified aquaculture. Customers recognise this by the labels of the [Marine Stewardship Council \(MSC\)](#) and the [Aquaculture Stewardship Council \(ASC\)](#). In financial year 2015/16, the sustainable fish selection in Germany comprised 42 MSC-certified own brands plus 459 MSC-certified and twelve ASC-certified brand-name products as well as 20 brand items certified as organic.
- 90 per cent of our aquaculture fish and seafood articles sourced in Asia via our International Trading Office are certified by [GLOBALG.A.P.](#), ASC and/or [Best Aquaculture Practices \(BAP\)](#).

- METRO Cash & Carry fosters direct contact with small-scale fishermen and supports them in applying sustainable fishing practices. For example, the company purchases fish caught in the Netherlands using the so-called fly-shooting method. This is a more gentle catching method which has no negative impact on the seabed. The nets also remain in the water for a shorter period, which prevents injuries to the fish.
- The demand for fish is particularly high in Japan. At the same time, pressure on the stocks is mounting. Aquaculture can offer an alternative when there is no danger of overfishing due to the catching of fry from the seas which are then raised in fish farms. To deal with this problem, METRO Cash & Carry Japan works with Kindai University on raising fish from fertilised fish eggs in aquaculture and making the entire process from rearing to selling traceable.

In April 2016, during the METRO-EXPO in Moscow, METRO Cash & Carry surveyed approximately 1,000 customers on the significance of sustainable fish and how to deal with the seas responsibly. An overview of the key results:



Sustainable product range



The product range of METRO Cash & Carry comprises a large number of organic and fair-trade items or other eco-friendly products, each with the appropriate certifications. Looking at METRO Cash & Carry’s 2020 commitment regarding sustainable palm oil, in financial year 2015/16, the company has made great progress thanks to our International Trading Offices: over 40,000 tonnes of French fries and other potato products have been sourced with sustainable palm oil (mass balance certification) and delivered to 24 METRO Cash & Carry countries. Another important signal from the METRO Cash & Carry organisation was the launch of internationally sourced own-brand fair-trade coffee beans. The launch of this product was celebrated at the headquarters on Sustainability Day, 6 June 2016, kicking off deliveries to 14 countries.

In financial year 2015/16, METRO Cash & Carry Germany’s sales of more sustainable products totalled almost €51 million.

| Product range<br>(METRO Cash & Carry Germany) | Sales<br>(in € million) |
|-----------------------------------------------|-------------------------|
| Fair-trade products                           | 1.8                     |
| MSC-/ASC-certified fish and organic fish      | 29.8                    |
| Organic products (without fish)               | 19.2                    |

Optimised packaging

In everyday retail business, packaging is not only used for transporting, preserving and protecting goods. Product packaging also contains information and usage instructions for customers. In order to minimise the resources used for its production and disposal, METRO Cash & Carry aims to generate as little waste as possible, use resources optimally, recycle materials and operate in cycles.

This approach is exemplified by packaging introduced in 2015 by the International Trading Office of METRO Cash & Carry in Concarneau, which specialises in fresh fish. Contrary to the cartons previously used which were made of expanded polystyrene (EPS), the new polypropylene cartons for fresh fish are delivered flat, are lighter and save space. This helps to optimise palletising and transport to the wholesale stores. A life product cycle assessment showed that carbon emissions from transport and water consumption are reduced in particular.

The results of packaging optimisation in financial year 2015/16 are currently being consolidated for the METRO Cash & Carry countries and will be reported in the DJSI in 2017. They will also be incorporated into the Circular Economy Agreement of the Retailers’ Environmental Action Programme (REAP), which METRO Cash & Carry signed in May 2016.

Read more about REAP in chapter [Sustainability approach](#) and [Sustainable consumption](#)

Responsible consumption

Regional products

When composing and putting together its product ranges, METRO Cash & Carry makes a point of including regional goods. By buying products such as fruit, vegetables and meat from local growers and producers, the company not only meets its customers’ growing demand for regional products. METRO Cash & Carry also assists and supports its suppliers,

thus contributing to the economic growth of the regions together with its customers. With its local purchasing strategy, the wholesaler also makes an important contribution to

sustainability: it improves the carbon footprint of the goods. Additionally, shorter transport routes reduce costs.

## Examples from the various METRO Cash & Carry countries

### Germany

At the wholesale store in Berlin-Friedrichshain, Germany, METRO Cash & Carry grows its own herbs and vegetables. The plants grow on a thin, nutrient-rich layer of water in a space-saving, vertical unit – without the use of pesticides. Another unit was installed at the wholesale store in Antwerp, Belgium, in 2016. Read more about [FoodTech](#).

Since January 2016, the northern German METRO Cash & Carry wholesale stores have been offering their customers local pork from the regions of Schleswig-Holstein, Lower Saxony, Hamburg, Bremen, Mecklenburg-Western Pomerania and Brandenburg under the trademarks “Bestes vom Schwein aus dem Nordosten” and “Bestes vom Schwein aus dem Norden” (the best pork from the north-east and the north respectively). The PRO TRACE app allows customers to trace products and obtain details concerning the origin of the pork in a specific batch and the way it was processed. In the medium term, this concept is to be implemented in other regions in central and southern Germany too.

### Hungary

METRO Cash & Carry Hungary offers around 90 regional and traditional sausage and meat products under the own-brand name Corvinus. They are of particularly good quality. Some of them are produced on the basis of traditional recipes and original production methods, and bear a label indicating their region of origin.



### Spain

Since February 2015, MAKRO Cash & Carry Spain has been supporting growers and producers in the immediate vicinity of the wholesale store who produce agricultural products in a traditional way with the Alma Makro initiative. The objective is to strengthen the local economy and preserve special regional products and their unique flavour.



### Italy

In Italy, the Filiere brand signifies sustainably produced goods such as meat and fish as well as fruit and vegetables. The product range already comprises 496 different items.



### Ukraine

To support local agricultural growers and producers in Ukraine, METRO Cash & Carry initiated the Fermove project in May 2016 in collaboration with the agricultural company Syngenta. The aim is to improve the local supply structures and establish a platform for fruit and vegetable growing in Ukraine. Thirty agricultural enterprises are already participating in the project.



### Turkey

Since 2015, METRO Cash & Carry Turkey has been supporting a project of the Turkish Ministry of Food, Agriculture and Livestock at the University of Istanbul which focuses on the protection of a specific breed of sheep. This breed is native to Thrace, a region on the eastern side of the Balkan peninsula which is now part of Bulgaria, Greece and Turkey. The meat of the animals is distinguished by its excellent quality and a special flavour, and is therefore in great demand. The purpose of the cooperative partners' joint project is to generate incentives for sheep farmers and meat producers to maintain the animals' purity of breeding and increase their numbers.

With the Local Seed project, METRO Cash & Carry Turkey also advocates the protection of natural and original seeds. In this effort, the company works closely with local growers and producers from Anatolia and guarantees that it will purchase the complete harvest of agricultural products which are characteristic of the region and are grown using local seeds. About 25 products from the region which are marked with a special logo are already exclusively available at the Turkish wholesale stores.

### Promoting a healthy diet and sustainable consumption

METRO Cash & Carry aims to enable traders and their customers to eat a healthy diet and, in so doing, to promote sustainable lifestyles. The company therefore not only carries a comprehensive range of fruit, vegetables and fresh products, but is also expanding its selection with the addition of vegan and special products such as lactose- and gluten-free items for consumers with food intolerances. For example, since early 2015, customers in the German METRO Cash & Carry wholesale stores have been offered a wide array of goods without animal ingredients. In 2016, the portfolio was expanded by 37 items to a total of 177 vegan products, including numerous types of cheese and meat alternatives.

In China, METRO Cash & Carry put up special campaign stands in certain wholesale stores in Shanghai, Beijing and Guangzhou during the METRO Sustainability Week 2016 in order to inform customers specifically about the company's sustainable product range. At the stands, store employees presented a wide selection of sustainable items – from organic vegetables and grain products to traceable vegetables, FSC®-certified paper products and MSC-certified fish products.

### Field of action employees

More than 107,000 employees in 25 countries contribute significantly to the success of METRO Cash & Carry. They work towards the success of the company and its customers every day and are valuable ambassadors of METRO SUSTAINABLE. For this reason, METRO Cash & Carry regards it as a key task to create an attractive, fair and safe work environment for them that offers diversity and inclusion. The company promotes staff development and encourages and inspires its employees to act sustainably. METRO Cash & Carry

- is globally committed to fair and safe labour conditions and recognises the right of its employees to unionise within the framework of national laws and legislation,
- ensures that its employees can work productively and safely,
- offers long-term prospects, both for the employees and for the company, and
- is committed to diversity and inclusion.

## Fair and safe labour conditions

Fair and safe labour conditions for the employees are a basic requirement that enables them to carry the company in the long term. For this reason, setting a framework within which it can act is crucial, as is the application and implementation of internal guidelines for respecting this framework. For example, METRO Cash & Carry unreservedly supports the principles of the International Labour Organization (ILO) and the right to freedom of association and collective bargaining. At the same time, the company endeavours to create a sound and low-stress work environment for healthy and productive employees. Specifically, METRO Cash & Carry guarantees the organised implementation of guidelines in the METRO Cash & Carry countries by employing occupational health and safety officers.

Information on projects and initiatives in the areas of fair labour conditions and occupational health and safety can be found in the CR Report in the chapter [Commitment to the employees](#) and in the Annual Report 2015/16, [Employees](#) chapter.

## Ambassadors of sustainability



To effectively promote the issue of sustainability within the entire METRO GROUP, the METRO Sustainable Leadership Program (MSLP) for young managers was launched in financial year 2014/15. It helps the participants to understand sustainability, including in relation to managerial skills, to integrate it into their everyday work and to act as ambassadors of the issue. Additionally, the participants initiate specific sustainability projects which relate to the business and are designed to generate added value for the company. At the same time, participation in the programme and the project work result in an ever-growing sustainability community in which people can learn from one another and can jointly promote the goal of firmly embedding sustainability in the company. The second round of the MSLP in financial year 2015/16 comprised 24 international co-workers from all the sales lines, METRO AG and its service companies. They are currently working on 20 projects.

## Ambassador approach METRO Cash & Carry Hungary

A project of METRO Cash & Carry Hungary demonstrates the lasting success of this programme particularly well: in 2016, a participant of the first round of the MSLP developed an ambassador programme for sustainability, resulting in a snowball effect of the lessons learned in the programme. The aim of the ambassador approach is to raise awareness of sustainability by means of seminars and workshops, and to embed the issue more firmly and systematically promote it within the company together with committed co-workers. The network, which now comprises over 40 co-workers, works on various projects on topics such as saving energy, selective waste management and optimised packaging, paperless delivery services and ProCleaning, which is the transition from conventional detergents for hygiene-intensive areas in the stores to environmentally friendly alternatives.

## Promoting employee involvement and knowledge

The METRO Cash & Carry countries offer various programmes and activities which aim to promote awareness of sustainability within the company, impart knowledge and systematically encourage employee involvement. Some typical examples of this are special product training seminars on sustainable product selection at METRO Cash & Carry Italy, a fuel saving training seminar and the organisation of an ideas competition regarding how to avoid food waste at METRO Cash & Carry Germany.

METRO GROUP generated significant leverage for spreading and embedding sustainability with its new communication tool UNITED in financial year 2014/15. The internal social network, which now has more than 52,000 registered users, allows the employees not only to search for information and create, share or comment on posts, but also to jointly develop ideas and actively participate in the company's ongoing development. Experts and knowledge within the company can be quickly found and linked on a large number of pages and workspaces. Ten national METRO Cash & Carry subsidiaries have already created a country-specific sustainability page and numerous workspaces on individual topics such as sustainable fish, palm oil and packaging.

## Diversity and inclusion



METRO Cash & Carry reflects the diversity of its customers and business partners by means of its individuality and diversity as well as respect for and recognition of all visible and invisible differences, and creates a fair and efficient corporate culture which is constantly developing and challenging itself.

This is also the objective of the METRO GROUP employee network Women in Trade (WiT) founded in 2013, which is committed to the principle of "Better, more, flexible" specifically regarding women in the retail business. In financial year 2015/16, the network, which had previously only been based at the Düsseldorf Campus, organised an annual conference on the topic of agile working. Thanks to numerous activities such as monthly network lunch meetings, training courses and workshops on focus issues such as mentoring and working in matrix organisations, WiT was able to recruit many new members in the reporting period, including within the METRO Cash & Carry organisation. There are now approximately 290 employees within the network.



The European **LEAD** Network (Leading Executives Advancing Diversity) pursues objectives similar to those of WiT, its mission being to advance women in the retail and food industries in Europe. METRO GROUP became an active partner in 2016, for example by appointing women to management positions; 108 METRO GROUP employees are already active members of the network. METRO Cash & Carry was a co-initiator of and participant in a survey of 25 store managers (21 of whom were women) at LEAD member companies specifically on the subject of the advancement of female store managers.

Read more on this topic in the [Annual Report 2015/16](#).

## Field of action corporate citizenship

As a company with a sustainable outlook, METRO Cash & Carry aims not only to contribute to society through its core business, but also to live up to its responsibility as a corporate citizen. The company fulfils this commitment by way of diverse voluntary social and environmental efforts at all its locations around the world. For example, METRO Cash & Carry supports local initiatives, is actively involved in corporate volunteering projects, helps local people in need and provides unbureaucratic and quick relief when disaster strikes and in emergency situations.

### International Care & Share initiative



Since 2008, METRO Cash & Carry has been organising its voluntary work and social responsibility projects under the umbrella of the international Care & Share initiative.

One of its focuses is the company's commitment on behalf of food banks, which METRO Cash & Carry has been supporting daily with food donations for over 20 years. The goods donated are still of impeccable quality, but can no longer be sold in the stores because they are close to their best-before date. METRO Cash & Carry supports local food banks in 15 countries in this way. In addition, METRO GROUP is a strong partner of the German food bank network 'Bundesverband Deutsche Tafel e. V.' and cooperates at the European level with the European Federation of Food Banks (FEBA).

The various local activities of the national METRO Cash & Carry subsidiaries likewise demonstrate how Care &

Share is implemented as an international umbrella brand at the local level. The company provides emergency aid as part of this initiative to mitigate the consequences of disasters. In December 2015, for example, METRO Cash & Carry India provided relief supplies worth €4,700 together with €2,300 in cash donations from staff members in the southern Indian city of Chennai following flooding caused by heavy downpours.

In November 2015, METRO Cash & Carry Pakistan and its strategic partner Habib METRO Pakistan (House of Habib) donated nine tonnes of food plus other everyday items needed by the families affected by an earthquake in Shangla in the Khyber Pakhtunkhwa province. Staff members volunteered to help with transporting the relief supplies and distributing them at the site of the disaster.

#### UN World Food Programme



In June 2016, METRO Cash & Carry embarked on a global, long-term partnership with the [UN World Food Programme](#) (WFP), the largest humanitarian organization working to end hunger worldwide. In this partnership, which is implemented at the local level by the national METRO Cash & Carry subsidiaries, the company and its employees and customers collect donations in a number of campaigns in order to help people in need. Additionally, the partnership serves as a platform for the exchange of expertise and the targeted development of initiatives. METRO Cash & Carry has thus entered into

a partnership which is very closely linked to the company's core business. It arose from the highly successful collaboration that was established in 2012 between WFP Italia and METRO Cash & Carry Italy, which has helped to provide approximately one million schoolchildren with school meals. With the launch of this new, global partnership, METRO Cash & Carry firmly believes that it will be a strong partner of WFP in the years to come, working together to end world hunger.

#### Corporate volunteering: unbureaucratic aid at the local level

METRO Cash & Carry also assumes social responsibility in exceptional situations, emergencies and crises by providing pragmatic on-site assistance. This is exemplified by the "We Help" community programme for refugee aid, which METRO GROUP initiated in October 2015. The aim of the initiative, which was initially limited to one year, was to provide unbureaucratic assistance, alleviate acute distress and contribute to the integration of refugees. The Management Board of METRO AG provided €1 million for this cause. Group employees could apply for one-off funding of up to €10,000 each for local projects in which they became personally involved.

Altogether, 119 volunteer projects were approved, of which 37 were submitted by METRO Cash & Carry employees from six countries. For example, on the initiative of a staff member in Serbia, a number of employees there now actively support the integration of refugees under the slogan of "Let's live together!". Among other activities, the volunteers organise various cultural events and joint outings, and accompany the refugees on, for example, doctor's visits.

"We Help" will be continued with an expanded focus from the beginning of 2017, with employees then being able to apply for funding for projects that benefit anyone in need.

## Media-Saturn

### Sustainability approach

Media-Saturn sees itself as a responsible and sustainable partner and as an everyday companion and navigator for consumers in an increasingly digital world. As a provider of

products and services which have a considerable impact on society and the environment, we also derive sustainability targets from this mission of ours and divide them into three areas of action.



“We at Media-Saturn believe that, in an increasingly digital world, it is our duty to assist our customers as a partner, daily companion and navigator. This is particularly true with respect to sustainability. If possible in all areas we assume responsibility for offering products that are produced sustainably and consume little energy. We also employ digital technologies and provide customer-focused services that allow people to truly practise sustainability with regard to the environment, the climate and resources.”

#### PIETER HAAS

Member of the Management Board METRO AG and CEO, Media-Saturn-Holding GmbH

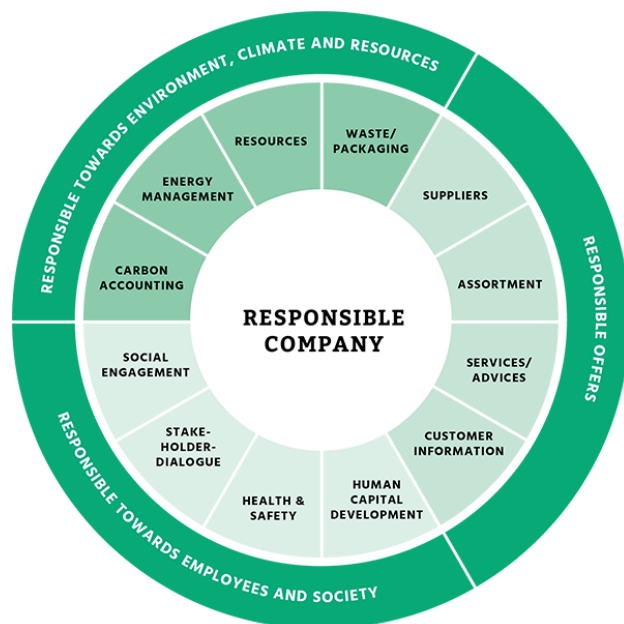
**Responsible offers:** To enable our staff to provide first-rate advice concerning sustainability issues, we place great importance on training and advanced training, and support them with new technologies such as digital price tags and employee tablets. At the same time, we support responsible purchasing decisions by labelling sustainable products in the online shops and stores. And in our role as a manufacturer, we apply high sustainability standards and urge our suppliers to do likewise.

**Responsibility towards the environment, the climate and resources:** When designing new and modernising existing stores and other properties, energy efficiency is a top priority for us, and we constantly look for solutions to minimise our resource consumption. We also offer our customers various ways in which to return old appliances and the option of selling certain appliances that are still serviceable.

**Responsibility towards employees and society:** Since our employees are expected to be a success factor regarding and ambassadors of sustainability, we support them in their own sustainability-related endeavours, offering them a diverse range of services for their personal well-being. We help society and the environment on the one hand by assisting our customers in making the right purchasing decisions. On the other hand, we assume corporate responsibility and actively support social causes in many different ways.

We intend to make sustainability an integral part of our business practices in the future. Digitisation, new service concepts and a wide range of sustainable products offer us an increasing number of opportunities to assist our customers in particular in sustainability-related matters and to live up to our aspiration of being a responsible company.

Here are a few examples of activities and possibilities in the three areas of action.



## Responsible assortment

An important factor for the business success of Media Markt and Saturn has always been their comprehensive product range: an average store stocks about 45,000 products for its customers and some 200,000 items are available from the two sales lines' German online shops. High standards vis-à-vis suppliers and comprehensive advice and information on the sustainability of all the products are central aspects of the group's sustainability-related commitment. In this manner, the Media-Saturn group of companies helps its customers to select consumer electronics products and services which support a more sustainable lifestyle.

## High supplier management standards



When it comes to the own brands ok., PEAQ, ISY and KOENIC, Media-Saturn insists on adherence to high social standards in the production of the appliances. The key labour standards of the International Labour Organization (ILO) are a fixed part of the contract terms. Additionally, since 2014, the responsible own-brand company Imtron GmbH has been a member of the Business Social Compliance Initiative (BSCI), which was established to protect workers' rights at the production facilities. The key elements which are examined in this context include the way in which the business is managed, aspects of environmental protection, occupational health and safety, and any violations of the prohibition of child and forced labour. The BSCI Code of Conduct is modelled on the SA8000 Standard of the organisation Social Accountability International (SAI). It obliges its members to have their suppliers audited on a regular basis and to adhere to other requirements of the initiative.

## Customer information concerning sustainable products



Since 2012, Saturn in Germany has been cooperating with Utopia, an Internet platform for sustainable consumption, and marks particularly sustainable items in many Saturn stores and in its online shop with the green label “Utopia empfiehlt” (Utopia recommends). In September 2016, for instance, this label was applied to nearly 1,400 products at saturn.de. The running of these appliances is particularly energy-efficient, environmentally friendly and economical. The product groups with the greatest savings potential were selected, these being washing machines, tumble dryers, dishwashers, refrigerators and freezers, TVs, coffee makers and vacuum cleaners. The requirements of the “Utopia empfiehlt” label meet the EcoTopTen criteria of the Freiburg-based Oeko-Institut, which are updated monthly. Eco-friendliness and overall costs are given equal weighting in the assessment. Quality assessments are also considered, if available, such as those of the Stiftung Warentest consumer organisation.

Since 2012, Media Markt Austria has been working with klimaaktiv, a climate protection initiative of the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW). Anyone interested can find

comprehensive information on energy-saving products on the platform [topprodukte.at](http://topprodukte.at). On the basis of this cooperation, customers can find an overview of current energy-saving products as well as facts and tips on how to save energy at [mediamarkt.at](http://mediamarkt.at) and in some selected stores in the so-called Green Zone. Media Markt Austria also conducts campaigns and competitions on this issue on a regular basis. In autumn 2015, for instance, customers had the opportunity to meet with klimaaktiv product specialists to receive advice on energy-related matters. In October 2015, Federal Minister Andrä Rupprechter presented Media Markt Austria with a BMLFUW award for its exemplary endeavours.

Saturn Austria marks particularly energy- and resource-saving products with the “Green Eco” label and gives its customers specific advice regarding the energy consumption of electrical appliances. An overview of the latest, particularly energy-efficient products is available on the sales brand’s website [saturn.at/greeneco](http://saturn.at/greeneco). Additionally, it offers customers many practical tips on keeping an electricity- and resource-saving house. In close coordination with AEG, Siemens and LG as well as other manufacturers, Saturn Austria determines which products from the product groups laundry care, dishwashers, refrigerators and freezers, and LED lamps are selected for “Green Eco” labelling.

## Establishing a customer guidance system

Based on the labels introduced to date, Media-Saturn is testing additional ways in which to educate customers even better about the sustainability aspects of electrical products. To this end, it is currently developing the basics of a guidance system for recommended sustainable products in the stores and online shops. This guidance system will also cover services, in order to offer customers quick advice in this area too.

## Responsibility towards the environment, the climate and resources

Most of the environmental impact of electronics products is generated during production and operation. However, stores can also reduce the impact in many different ways. Media-Saturn has set itself the goal of becoming a trailblazer in the protection of the environment, the climate and resources. In this effort, the group of companies with its sales brands adopts high standards of resource protection, minimises its waste and reduces energy consumption at its stores. Additionally, Media-Saturn chooses sustainable packaging solutions, thereby also making it easier for its customers to shop more sustainably.

### Recycled shopping bags



Media Markt and Saturn stopped handing out free plastic bags throughout Germany at the beginning of 2016. Both sales brands offer their customers reusable PET bags as a more environmentally friendly alternative, for which customers have to pay. The bags are made of 85 per cent recycled material and can be exchanged for new bags at any Media Markt or Saturn store free of charge. The recycled PET bags of Media-Saturn are not only visually appealing, but also offer considerable environmental advantages compared to conventional shopping bags. Unlike paper bags, they are sturdy and water-resistant. According to the organisation Deutsche Umwelthilfe, even a cotton bag has to be used ten times more often than a reusable PET bag in order to be as environmentally friendly in terms of carbon emissions.

For this reason, Media-Saturn Deutschland GmbH signed up to the voluntary commitment of the German Retail Federation (HDE) in 2016. This stipulates that shopping bags only be made available for a charge. The switch resulted in an approximately 85 per cent reduction in the number of shopping bags handed out in financial year 2015/16 compared to 2013. This equates to around 60 million bags annually at Media Markt and Saturn Germany. The Media-Saturn group of companies aims to reduce the overall use of plastic bags internationally by 70 per cent by the end of 2017 compared to 2014.

### Reducing paper consumption



In financial year 2015/16, Media-Saturn introduced digital price tags throughout Germany. This not only makes price labelling considerably more efficient – the digital signs are also better in terms of sustainability as the stores no longer need to print price information on paper every day. Thanks to this digitisation process, Media-Saturn consumes approximately 600 tonnes less paper internationally every year. This roughly equates to the payload of 60 dustcarts.

### Reducing electronic scrap

Media-Saturn also assumes responsibility for electronic products at the end of the product life cycle. Europe alone amasses about ten million tonnes of electronic scrap per annum. Large portions of it are nearly infinitely recyclable without loss of quality, but often end up in the household rubbish.

The EU's WEEE Directive (Waste Electrical and Electronic Equipment) introduced new collection targets and higher recycling and reuse quotas. From 2016, for example, 45 per cent of

the average weight of the electrical appliances put into circulation in the previous three years must be collected in the European Union, with this figure going up to 65 per cent from 2019. Germany currently only collects approximately 40 per cent.

In the past, we have already accepted the return of old appliances voluntarily, i.e. without being legally obliged to do so. What's more, no restrictions are placed on the appliances that we take back. At Saturn in Germany alone, more than 10,000 tonnes of electrical appliances were returned in 2015. Over 50 per cent of them were household appliances.

### More: recycling process

Customers in Germany have already been able to return used electrical appliances at any Media Markt or Saturn stores since 2005. The returned appliances are collected and transported to a certified primary treatment facility. It first rids the old appliances of pollutants, disassembles them into their components – such as condensers, metals, glass and plastics – and then sorts the materials. The average metal portion of a washing machine, for example, is over 80 per cent. About 16 per cent of the machine consists of other materials such as plastics, including approximately 14 per cent elastomers and compounds, and some 1.5 per cent glass. Altogether, a washing machine has a recycling quota of 80 to 85 per cent.

### Cooperation with kaputt.de

At the Media-Saturn SPACELAB, Europe's first consumer electronics retail accelerator programme, the group of companies is looking for innovative company founders along its entire value chain. The SPACELAB works like a sort of business school for the selected start-up entrepreneurs and supports them with financial investments and expertise. The company founders get assistance from top partner companies and expert mentors from industry and consulting in the areas of marketing strategy, logistics and sales, and also from Media-Saturn managers.

From late 2015 until April 2016, kaputt.de participated in the first round of the SPACELAB. The central idea of the Berlin-

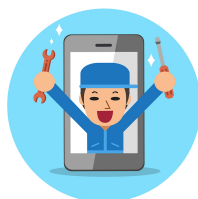
based start-up is to consolidate the fragmented repair services offered for broken smartphones. The kaputt.de portal presents the website users with various options. If, for example, the smartphone display is broken, the customer can order a replacement display and repair it themselves on the basis of instructions or they can compare local service providers who will perform the repairs. The list of these providers includes over 100 Media Markt and Saturn stores. In this way, the useful life of smartphones can be extended and waste can be avoided. Customers also have the option of purchasing a new smartphone, choosing to either sell or dispose of their old device through kaputt.de.

More information on kaputt.de is available in the [magazine](#).

## PREFERRED THREE OPTIONS



Bring your mobile phone to the shop for repair



Our expert comes to your home and repairs immediately



Send your mobile phone to the repair service

## ALTERNATIVE SOLUTIONS



Repair yourself



Sell

## Efficient energy use



Media-Saturn operates more than 1,000 stores worldwide where customers can try out thousands of electronics products. To reduce the stores' energy consumption, the group of companies employs efficient energy management and constantly modernises the stores and administration buildings. Since 2012, all stores have been equipped with monitoring systems which constantly keep track of the energy consumption. In addition to the electricity used, the systems measure the air quality, the room temperature and other indicators. The data are provided online to the facility managers in

the respective countries. Since the systems were introduced, those responsible for the control systems have received intensive training in using them. If necessary, they contact the store in question directly and optimise the technical systems.

Media-Saturn also makes targeted investments in energy-efficient lighting at the stores. LED light strips have now been installed in over 100 stores. Compared to conventional T8 and T5 tubes, LED light strip lamps consume up to 50 per cent less electricity. In 2015, for example, the energy consumption of the lighting at a reference store in Germany was reduced by 38 per cent or 68,400 kilowatt-hours per annum. The group of companies aims to install LED lighting systems in all stores worldwide by 2025. Based on this and other measures, Media-Saturn intends to achieve a like-for-like reduction of 30 per cent in its stores' electricity consumption by 2030 compared to 2011.

In addition, the group of companies aims to achieve a high quality standard with respect to the sustainable furnishing and technical equipment of the stores. To this end, Media-Saturn is developing internationally uniform real estate guidelines based on the Gold certification standard of the LEED classification system for the low-energy and environmentally friendly design of buildings.

More: Minimum criteria for refrigerators and freezers according to EcoTopTen

Energy consumption:

- Energy efficiency class A+++
- Maximum consumption: 200 kilowatt-hours per year

Halogenated fluorocarbons (HFC):

Neither refrigerants nor the foaming agents that are used for insulation materials must contain halogen-organic substances or have been made with these substances.

Supporting eco-friendly and cost-efficient use:

Upright and chest freezers as well as fridge-freezers must issue either an acoustic or visual alarm signal when the temperature gets too high or the door is open (in the case of fridge-freezers: the freezer).

Quality:

If Stiftung Warentest has published a quality test, the minimum criterion is the rating 'Good'. However, if no test result exists, this does not necessarily lead to devaluation.

Emissions impacting the climate:

EcoTopTen shows the annual greenhouse gas emissions associated with the manufacture and use of all appliances in CO<sub>2</sub> equivalents (CO<sub>2</sub>e). The balancing of the greenhouse gas emissions which occur during the production of a refrigerator or freezer was based on data from ecoinvent. The balancing was performed with Umberto, a software for Life Cycle Assessment and shows the following results for the manufacture of a refrigerator or freezer (cf. table 1). When calculating the attributable annual greenhouse potential due to the manufacture of the refrigerators and freezers, the service life on which the calculation is based is a critical factor. In accordance with the data of the German Society for Consumer Research, refrigerators and freezers were presumed to have a service life of 13.5 years.

Table 1: Greenhouse gas emissions in CO<sub>2</sub> equivalents (CO<sub>2</sub>e) associated with the manufacture of the appliances – related to their assumed service life (EcoTopTen criteria for refrigerators and freezers).

| Type of appliance        | CO <sub>2</sub> e in kg per unit | Average service life | CO <sub>2</sub> e in kg per unit and year | Source                                        |
|--------------------------|----------------------------------|----------------------|-------------------------------------------|-----------------------------------------------|
| Refrigerator and freezer | 257                              | 13.5 years           | 19.04                                     | Own calculation by the Eco Institute (7/2014) |

The annual electricity consumption according to the Energy Efficiency Directive 1060/2010 was considered for the use of the refrigerators and freezers. For one kilowatt-hour (kWh) of electricity, there are average climate-related emissions of 637 g CO<sub>2</sub> equivalents in Germany (cf. table 2).

**Table 2: Background data for the calculation of the greenhouse gas emissions associated with the use of refrigerators and freezers in CO<sub>2</sub> equivalents (CO<sub>2</sub>e) (EcoTopTen criteria for refrigerators and freezers).**

| Use                      | CO <sub>2</sub> e | Source               |
|--------------------------|-------------------|----------------------|
| Provision of electricity | 0.637 kg/kWh      | ecoinvent 3.2 (2015) |

**Costs:**

The total annual costs allow consumers to get an overview of the actual product-related costs, the so-called life-cycle costs. The total annual costs for refrigerators and freezers listed by EcoTopTen are composed as follows:

- Purchase price or attributable acquisition costs: The purchase price is the median purchase price for the listed appliance as found at idealo. The purchase price is divided by the service life (in years). This equals the acquisition costs per year.
- Annual operating costs: They are generally composed of the electricity as well as water costs, if applicable, plus the costs for other utilities. Only the electricity consumption is relevant for refrigerators and freezers. The calculation of the annual electricity costs is based on the energy consumption of the listed appliance according to the Energy Efficiency Directive 1060/2010 and multiplied by the average electricity cost (in euros per kilowatt-hour).

**Table 3: Composition and sources of the total annual costs for refrigerators and freezers shown by EcoTopTen (EcoTopTen criteria for refrigerators and freezers).**

| Components of the total annual cost | Calculation                    | Assumptions                                                              | Source                                                                                                            |
|-------------------------------------|--------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Attributable acquisition costs      | Purchase price/service life    | Purchase price: median of purchase prices found                          | idealo <sup>1</sup>                                                                                               |
|                                     |                                | Service life: 13.5 years                                                 | German Society for Consumer Research (GfK) according to the German Federal Environment Agency (2015) <sup>2</sup> |
| Annual electricity costs            | Annual electricity consumption | Annual electricity consumption: according to information on energy label |                                                                                                                   |
|                                     |                                | Average electricity price € 0.287/kWh <sup>3</sup>                       | Electricity price analysis 1/2016 by the German Association of Energy and Water Industries (BDEW) <sup>4</sup>    |

\* Electricity price per kWh  
1 Aus Umweltbundesamt (Hg) [2015]:  
Prakash, S.; Dehoust, G.; Gsell, M.; Schleicher T.:  
Einfluss der Nutzungsdauer von Produkten auf ihre Umweltwirkung: Schaffung einer Informationsgrundlage und Entwicklung von Strategien gegen „Obsoleszenz“  
2 Current prices for [refrigerators and freezers](#)  
3 Equals the price for 1 kWh of electricity (labour incl. base rate) in a two-person household in Germany.  
4 BDEW Bundesverband der Energie- und Wasserwirtschaft e.V.; BDEW  
– [Electricity price analysis January 2016](#), accessed on 12.2.2016.

## Reducing packaging



To save excess packaging material, the online shops media-markt.de and saturn.de are planning to send consolidated pick-up shipments to the stores in future. Currently, all orders are packaged and shipped individually. Consolidating ten orders into one package will save approximately 4,500 tonnes of packaging material and some 4,000 tonnes of carbon emissions by 2020. This equals the average annual consumption of more than 2,400 cars<sup>1</sup>.

<sup>1</sup> Based on 12,000 kilometres driven ([Statista](#))

## Responsibility towards employees and society

The Media-Saturn group of companies and its brands also regard their employees as ambassadors of sustainability and therefore train them in the best way possible so as to promote responsible actions and thinking. In addition, the group of companies provides extra benefits to promote employee health.

### Sustainability human capital development topic



To be able to provide information about sustainability-related issues in addition to conventional product advice, store employees attend regular product training sessions provided by the manufacturers. These sessions include subjects such as energy efficiency and water consumption. At Saturn Germany, the participants also receive online training on special sustainability aspects relating to the product groups smartphones, tablets and notebooks. These aspects include rare earth metals, working conditions in production and conflict resources.

Media-Saturn has integrated the topic of sustainability into the syllabuses of its trainee and talent programmes at its headquarters in Ingolstadt. For instance, interested finance trainees can select sustainability as a part of their programme and take on projects in this area. In the programme for young executives, the future managers and department heads participate in a planning game to learn how sustainability can be implemented in the company.

Sustainability is already a component of the selection of employees at the assessment and development centre.

International executives are given an introduction to the sustainability initiatives of Media-Saturn-Holding GmbH during their induction in Ingolstadt. In 2016, sustainability managers responsible for the coordination and implementation of sustainability were appointed at the international branches and service companies. They are gradually becoming contact persons and multipliers for additional sustainability activities in their respective countries and service companies.

### Information on sustainability for employees

The employee magazine “GoGreen” has been available to all Saturn store employees in Germany since March 2016. It publishes information on ongoing sustainability initiatives at Saturn Germany, provides interesting sustainability-related facts and figures such as changes in legislation or guidelines and presents concrete examples from various stores throughout Germany. The magazine is published four times a year.

Since mid-2015, interesting information on the sustainability programme has been provided on the intranet for all Media-Saturn employees. They can also learn about projects already implemented and ongoing initiatives here. Media-Saturn not only focuses on the workplace, but also gives comprehensive tips on how to act sustainably in all areas of life and provides information on current sustainability-related trends and news. After the page impressions and number of site visitors were assessed and feedback from the staff was received, the website was relaunched in August 2016. The improved layout and the new structure are designed to get even more employees excited about sustainability at Media-Saturn. The website now also contains a more detailed overview of the sustainability programme.

### Car sharing portal at the Ingolstadt site

Since the beginning of June 2016, all the employees at the Ingolstadt site have been able to use TwoGo, an SAP car sharing portal, free of charge. Requests for routes and times can be entered via an app. On the basis of this information, the portal automatically finds the lift that suits the respective employee best, getting them to work cheaply and with mini-

mum environmental impact. By the end of September 2016, a total of 86 lifts had already been arranged, primarily for commutes between Nuremberg and Ingolstadt. This equals savings of about 1,385 kilograms of carbon emissions. In the future, the car sharing portal TwoGo is to be available to all store employees in Germany. To this end, Media-Saturn is developing various concepts and examining options for an international roll-out.

### Health and sport services



With our health initiative “Fit bleibt vorn”, staff members at the Ingolstadt headquarters can register at certain gyms at a reduced rate and find training partners for various sports via an internal platform. Additionally, the “Fit bleibt vorn” team organises the preparation and participation of the Media-Saturn runners in the FitnessRun & Walk, the half-marathon and the triathlon in Ingolstadt. A special event of the initiative is the annual Media-Saturn Cup, a football tournament for all employees of the Media-Saturn group of companies. In late June 2016, 40 international teams from administration offices and stores took part in the sports competition for the challenge cup.

The employees also have the opportunity to donate blood and make medical check-up appointments – for instance to get flu shots or have their eyesight tested – at regular intervals.

### Target group-specific training programme

In addition to workshops and conventional training, modern media are to be increasingly integrated into vocational training and further education. At the international level, for instance, the network Yammer is being tested as an internal social media platform for, among other things, sustainability issues. In addition, Media-Saturn is developing target group-specific training concepts for its stores, administration and national subsidiaries. Once the issue of sustainability has been presented separately to the sustainability managers, a joint kick-off event for all countries is planned for early 2017.

## Real

### Sustainability approach

#### Sustainability vision

**We promote sustainability to ensure that the generations to come will likewise be able to grow up in a healthy physical and social environment with good prospects for the future.**

Approximately 36,000 employees in our 285 Real hypermarkets do what they can for our customers every day. Top quality, optimum service, unrivalled freshness and good value for money are among our fortes.

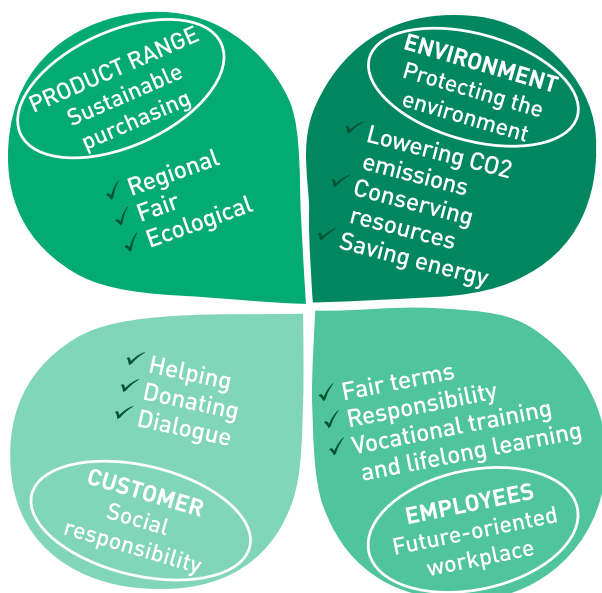
Sustainability is an issue which has been embedded in our corporate strategy for some time. In accordance with the motto of "Acting responsibly", we pursue our sustainability efforts in four different fields of action. We feel just as committed to environmental and consumer protection as we are to our employees and suppliers.



"Sustainability has been an integral part of our corporate strategy for many years. We therefore do more than merely make public declarations of intent. We follow the principle of Acting responsibly. This includes continuously expanding our product range according to ecological and socially compatible factors, pursuing a climate protection target for 2030 and treading completely new paths towards meeting customer needs and creating new jobs with our Food Lover concept in Krefeld."

**PATRICK MÜLLER-SARMIENTO und HENNING GIESEKE**  
Chairmen of the Real Management Board

#### Fields of action



Real's sustainability clover defines the four fields of action within the "Acting responsibly" sustainability strategy. The company has formulated sustainability targets and concrete missions for each of these fields:

- **Product range:** Our customers should be able to shop with us in good conscience. We are committed to minimising the use of raw materials and resources while simultaneously respecting and protecting people, animals and nature.
- **Employees:** We support our employees in all life situations. We give our employees' careers a jump start, offer them opportunities to grow and climb the career ladder, and provide them with support in difficult circumstances in their lives.
- **Environment:** Our actions should have as little impact on the environment as possible and should conserve resources.
- **Customers and society:** Our public activities are characterised by credible social responsibility and ties to the community.

The goals within the fields of action were developed in collaboration with the respective departments and have been strategically embedded in the company. Their operational implementation takes place in the various departments on the basis of concrete sub-goals and measures which have been defined accordingly. Additionally, Real continues to develop its sustainability strategy, checks its measures on a regular basis and adjusts them on the basis of new insights because the

company views sustainability as a process which calls for the company to continuously evolve.

### Excellent commitment to sustainability

Real's many activities in the area of sustainability are also acknowledged and recognised by external stakeholders, as evidenced by, for example, the following awards:



### More: Excellent commitment to sustainability

#### Good Rabbit Award 2016

In June 2016, Real was distinguished with the Good Rabbit Award for its special commitment to animal welfare. The award honours companies that use particularly animal-friendly husbandry systems for rabbits. Real has agreed on special criteria for rabbit welfare and housing with its suppliers. These include detailed requirements concerning the stocking density, space allowance, the consistency of the pen flooring and the feeding of the animals.

#### Inclusion Award of German Businesses

In October 2015, UnternehmensForum bestowed Real with the Inclusion Award of German Businesses in the Large Companies category. The award, which is sponsored by Germany's Federal Ministry of Labour and Social Affairs, honours the exemplary integration of employees with disabilities in all of Real's business units. The award is funded by the Confederation of German Employers' Associations (BDA), the Federal Employment Agency (BA) and Charta der Vielfalt.

#### Trainer of the Year 2016

In September 2016, Eva Gatsioudi was named Trainer of the Year 2016 by the industry magazine *Lebensmittel Praxis* in

the hypermarkets category. The deputy business manager and team leader has been training junior employees at Real for six years. This is the fourth time Real has been awarded this prize.

**“Mit gutem Gewissen” (In good conscience) sustainability award**

In a sustainability study conducted by Deutschland Test, Focus-Money and the Cologne-based consulting firm Service-Value, Real was bestowed the silver “Mit gutem Gewissen” sustainability award in 2015. 1,000 brands from 56 industry sectors and product categories were analysed regarding their social, ecological and economic responsibility in online consumer surveys.

**Company check 2015**

In the company check conducted by Verbraucher Initiative e. V., Real was awarded gold in the Food and Luxury Food Items category in 2015. In the two categories Textiles and Footwear and Health and Body Care, the company was awarded silver. Unternehmens-Check is a database where consumers can obtain detailed information about the environmental and social efforts of retailers and manufacturers.

## Product range field of action

**Mission: Our customers should be able to shop with us in good conscience. We are committed to minimising the use of raw materials and resources while simultaneously respecting and protecting people, animals and nature.**

As a full-range retailer with up to 80,000 products, Real has a special responsibility that goes beyond providing impeccable quality and product safety. Aspects such as sustainable consumption, the conservation of resources, social labour conditions and animal welfare are playing an increasingly important role in Real's product range composition. The following diverse activities relating to a sustainable product range demonstrate the comprehensive approach that Real pursues. For instance, Real adopted a [CSR purchasing guideline](#) with the aim of generating 30 per cent of its revenue from the sale of sustainable products by 2019.

As the potential and requirements of the individual product groups vary, as do the opportunities for procuring sustainable products, the objectives are adjusted for each segment, while all contributing to a common aim.

## Product safety, quality and traceability

By implementing and complying with internationally recognised quality standards such as QS and IFS, Real ensures that the food items in its product range are impeccable and safe.

The quality of the products is carefully checked by means of supplier audits, lab tests and warehouse controls. Real stipulates high standards throughout, from production through to selling, which frequently exceed the legal requirements.

## Compliance with social standards

In addition to guaranteeing the quality and eco-friendliness of its products, Real places a particular focus on the consideration of social aspects in its sustainable product range composition. Real expects all of its business partners to adhere to minimum social standards. The company contractually obliges its suppliers to comply with the guidelines of the International Labour Organization (ILO). The strict prohibition of forced labour, child labour and any form of exploitation is a basic element of the agreements.

In addition, the suppliers of non-food own-brand products are contractually obliged to adhere to the social standards of the Business Social Compliance Initiative (BSCI) in risk countries and the Accord on Fire and Building Safety in Bangladesh. Real only accepts suppliers with good audit results on the basis of these guidelines. Both initiatives advocate a permanent improvement in labour conditions in third countries. In addition, Real has been a member of the Partnership for Sustainable Textiles since 2015, which pursues similar goals.



The company also constantly expands its range with the addition of products that meet the sustainability standards of organisations such as Fairtrade, GEPA and Naturland Fair, which advocate fair social conditions in the supply chain. Real wants to boost the revenue generated with fair-trade products by 100 per cent by 2020 compared with the reference year

2013/14. Sales already increased by 53.6 per cent in financial year 2015/16 compared with the reference year 2013/14.

## “Acting responsibly” umbrella brand

Real aims to enable its customers to shop sustainably and to offer them optimum guidance in this effort. The company therefore groups products which are particularly environmentally or socially compatible and comply with the relevant standards under the umbrella label “Acting responsibly”. These include items in relation to which the company’s sustainability efforts considerably exceed those of comparable products. Real offers customers items from various product groups under this label, including textile products of the own brand real,- QUALITY, which are certified in accordance with the Global Organic Textile Standard (GOTS) and the STANDARD 100 by OEKO-TEX®.

## Regional “Gutes aus der Heimat” (Prime local produce) product range



In order to also offer its customers reliable guidance regarding regionality, Real labels regional products with the “Gutes aus der Heimat” logo. More than 21,000 items ranging from dairy products and tinned foods to fresh produce bear this logo. In particular, fruit and vegetables and sausage products are sourced within a radius of approximately 60 to 100 kilometres from the Real hypermarket in question.

Specifically in the area of fruit and vegetables, the issue has been forced by means of store campaigns and flyer advertising.

## Products from permaculture



Real aims to gradually change its standard selection of fruit and vegetables in favour of more produce sourced from organic farming and permaculture. Growing fruit and vegetables based on permaculture principles protects the environment and conserves resources, and is therefore considered particularly sustainable and future-oriented.

## Permaculture

Permaculture is a form of ecological agriculture in which fruit and vegetables are grown in harmony with nature and on the basis of sound cycles. Its purpose is to avoid the negative influences of modern, conventional agriculture.

### Permaculture

- does without any chemical or synthetic fertilisers, pesticides and fungicides, thus going a step further than the ecological growing of food and EU organic products,
- is free of treatment agents,
- promotes the build-up of the humus layer in soil, which is an important source of CO<sub>2</sub> and improves soil fertility,
- contributes to the preservation of species diversity, nature and habitats due to mixed cropping methods and
- uses water sparingly.

## More: Permaculture Advisory Board

The three-member permaculture advisory board consisting of experts and representatives of NGOs employs its expertise to establish permaculture in the interest of the environment and the consumers, thus advancing sustainable agriculture, from which everyone benefits in equal measure.

The advisory board members are:

- Georg Abel, National Director, VERBRAUCHER INITIATIVE e. V.
- Udo Gattenlöhner, Director, Global Nature Fund
- Dr Immo Fiebrig, Centre for Agroecology, Water and Resilience, Coventry University, UK

Real's portfolio has included products grown using permaculture practices since December 2014. Real started with a range consisting of pomegranates, kumquats, oranges and avocados bearing its own permaculture logo, and is steadily expanding this range. The primary countries of origin are Italy, Spain and Germany.

A close cooperative partner and an exclusive supplier for Real's [permaculture range](#) is Lehmann Natur GmbH. The Mönchengladbach-based supplier of organic fruit and vegetables sources its permaculture products among other things from crop acreage in Spain belonging to the company founder Friedrich Lehmann.

To educate its staff, customers and the public about [permaculture](#), Real not only introduces and expands its product range, but also employs communication measures. The company provides facts and background information on permaculture, the benefits for customers and the objectives that Real is pursuing with the expansion of its sustainable product range on its own website and in brochures, booklets, pocket guides and newspaper inserts.

This is also why the Permaculture Advisory Board was founded in 2016. It continues the internal and external communication with the various stakeholder groups in a targeted manner and gives advice regarding the approval of new suppliers and products on the basis of the established standards.

## Expansion of the organic product range

Real took an important step in the direction of expanding its range of organic products in mid-October 2015 by changing its bananas, focusing since then on organic bananas. The conventional brand bananas were replaced with organic bananas grown on resource-saving and eco-friendly farms. Real's product range comprises some 2,600 organic products. The company's goal is to boost the sales of such products by 15 per cent by 2020. At the end of financial year 2015/16, Real had achieved an increase of 11.4 per cent in the sale of organic products compared with the reference year 2013/14.

## Products with reduced fat, sugar and sodium content

For Real, putting together a sustainable product range also means offering healthy products. With the consumers' health in mind, the company established [purchasing guidelines](#) that aim to reduce the fat, sugar and sodium content of approximately 150 own-brand products by 2017. The main focus is on food items for children and adolescents. For example, the company reduced the sugar content of its real,- QUALITY tomato ketchup by 30 per cent compared to the previous product recipe. In financial year 2015/16, no less than 81 products were modified in this way.

## Sustainable fish purchasing

To make sure future generations can still enjoy eating fish and many people can maintain their livelihoods, concrete measures for the protection of fish and seafood must be taken. Together with suppliers and stakeholders, Real is developing a large number of measures along the entire value chain that will contribute to environmentally and socially compatible fishery. The sustainable fish [purchasing policy](#) defines how fresh fish, fish products and products with a fish component, such as animal food, are purchased. The company is thus gradually expanding its range of sustainable fish products in accordance with uniform, internationally recognised and sustainable standards and labels. These include certification

from the [Marine Stewardship Council](#) (MSC) for wild fish and seafood and from GLOBALG.A.P., organic logo and the Aquaculture Stewardship Council (ASC) for aquaculture products. Additionally, Real excludes products from illegal fishing and critically endangered fish species from its product range and promotes the use of eco-friendly fishing practices.

Real aims to increase the sale of sustainably caught fish by 10 per cent by 2020 compared to the reference year 2013/14. In financial year 2015/16, the company achieved a 2.3 per cent increase compared to the reference year 2013/14.

## Cocoa from certified and sustainable farms

To permanently improve the living conditions of small-scale cocoa farmers and protect natural resources, Real applies sustainability criteria to its procurement of own-brand products containing cocoa. The company considers cocoa to have been sustainably produced if the certification criteria of one of the three internationally recognised standards Fairtrade, Rainforest Alliance or UTZ Certified are met. Real already achieved some initial important success in financial year 2015/16: since the end of 2015, only cocoa that meets the three above-mentioned international standards and was procured in compliance with the Mass Balance supply chain option is used for all own-brand products. This means that only certified cocoa is purchased for producing the final product, but that certified and non-certified cocoa are blended in a controlled manner within the supply chain. Only a proportion of the cocoa used in the end product is therefore certified. As the target was met in 2015, the [purchasing guideline](#) was revised in 2016 and a new target was set: the use of certified cocoa is to be gradually switched to the "Segregation" or "Identity Preserved" models, as long as the market situation permits this. "Segregation" means that the certified cocoa of several plantations or cooperatives is consolidated and is traded separately from conventional flows of goods all along the supply chain. "Identity Preserved" represents the most demanding supply chain model. It allows for the complete traceability of the cocoa back to the plantation.

## Sustainable palm oil

Thanks to its diverse uses for many different product groups and its high yield, palm (kernel) oil is currently the most important vegetable oil in the consumer goods segment. Ever greater global demand has led to large areas of tropical forests being deforested in order to create plantations, and thus to enormous negative impacts on the environment as well as the displacement of indigenous peoples. These vast monocultures also destroy the habitats of numerous animal and plant species and endanger biological diversity. However, palm oil is also a raw material that is hard to replace, and in many countries the palm oil industry offers smallholders a livelihood.

Together with suppliers and stakeholders, Real is therefore committed to promoting sustainable oil palm farming. Real's palm oil purchasing guideline constitutes an important basis for the purchasing of own-brand products containing palm oil or palm kernel oil.

The company has achieved an important milestone in this area too: since the end of 2015, either sustainable palm or palm kernel oil or alternative raw materials have been used in the production of own-brand food items, or the farming of sustainable palm oil is supported by means of certificate trading.

As Real achieved its goal in 2015, it has now set itself a **new target**: the use of 100 per cent palm oil or palm kernel oil according to the "Identity Preserved" or "Segregation" supply chain models for own-brand food items by 2025. In addition, the range of own-brand detergents and cleaning agents and also cosmetics products is to be switched to sustainable palm oil.

## Sustainable wood and paper products



Das Zeichen für  
verantwortungsvolle  
Waldwirtschaft

Increasing deforestation is responsible for about a fifth of global warming. To counter this development, Real is actively involved in the protection of the climate and the environment. Among other things, the company published a [purchasing guideline](#) for wood and paper products in April 2016. By the end of 2020, sustainable paper and wood are to be purchased for all own brands, customer service items and products for internal use if their wood or paper content accounts for at least 50 per cent of their weight. The Real purchasing guideline defines wood and paper products as sustainable if they are from sustainable forestry or are made of recycled material, and products as sustainable if they are not listed by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or the International Union for Conservation of Nature (IUCN).

Customers can find a wide array of sustainable hygiene products, product packaging, stationery, toys, small furniture items and household appliances in Real hypermarkets. All of its garden furniture is already certified as sustainable. In its own back office, Real uses recycled and/or printing paper that meets the standards of the [Forest Stewardship Council](#)® (FSC®).

## Commitment to the protection of animals



Above and beyond the environmental and social compatibility of its product range, Real aims to market only products of animal origin made with animals which are reared and slaughtered in species-appropriate ways. To live up to this aspiration, the company defined and voluntarily committed itself to a [purchasing guideline](#) in 2016. Its criteria include the ongoing expansion of its product range with the addition of standards which help improve animal husbandry. Since mid-2016, for instance, customers have been offered animal products bearing the “Nature & Respect” logo. The animals are given feed which has not been genetically modified and live free-range for at least half of their lives. In addition, in about 90 hypermarkets, Real stocks products bearing the label “Für mehr Tierschutz” (For greater animal protection) of the German Animal Welfare Federation. The company is also a member of the Animal Welfare Initiative.

### More: Improved animal husbandry

Real endeavours to improve the rearing conditions of dairy cattle and laying hens, and backs efforts to prevent the trimming of laying hens’ beaks. Ever since early 2015, Real has been selling the shell eggs of laying hens which have not had their beaks trimmed; since 2016, these eggs have also been sold under the own brand real,- QUALITY. Real has exclusively stocked the shell eggs of hens from alternative rearing systems and with certification of being from controlled alternative husbandry since 2009. In addition, all own-brand products with a relevant egg content of 1 per cent contain only eggs from alternative husbandry systems. On the basis of these endeavours, Real was distinguished with the Good Egg Award of the British animal welfare organisation Compassion in World Farming in 2009 and 2015.

The company also works with its suppliers in other areas in order to sustainably improve animal husbandry conditions. An important project is the improvement of rabbit husbandry. Since 2011, Real has only sold cage-free rabbits. Additional criteria have been developed which producers must meet when rearing and keeping rabbits. These criteria include detailed requirements concerning the stocking density, runs, toys, group housing and feeding of rabbits. In 2016, Real received the Good Rabbit Award from Compassion in World Farming for its exemplary efforts.

## Vegan and vegetarian product range



For Real, being committed to animal welfare also means systematically expanding its range of vegan and vegetarian products. To this end, we are in close contact with the Albert Schweitzer Foundation, which advocates animal welfare and the further spread of the vegan lifestyle.

Real currently stocks approximately 2,000 vegan and vegetarian products, which are identifiable among other things thanks to shelf signs. Compared to the reference year 2013/14, the sale of vegan and vegetarian products climbed by 18.1 per cent. Thus the target of a 20 per cent sales increase by 2020 [reference year 2013/14] was already almost achieved in the financial year 2015/16.

Additionally, since March 2016 the company has stocked the first own-brand products bearing the “Ohne Gentechnik” (No genetic engineering) label. The [German Association Food without Genetic Engineering](#) (VLOG) issues the product label on the basis of strict requirements.

## Employees field of action

**Our mission: We support our employees in all life situations. We give our employees' careers a jump start, offer them opportunities to grow and climb the career ladder, and provide them with support in difficult circumstances in their lives.**

More than 36,000 people currently work for Real. Whether at the checkout or at incoming goods, as a master butcher or purchaser, at a sales centre or in marketing, they contribute to the success of the company everywhere and constitute its most important asset. Real therefore makes a point of supporting and encouraging its employees as best it can and of offering them an attractive work environment.

Real has an employment quota for individuals with severe disabilities of 8 per cent. The company was distinguished with the [2015 Inclusion Award of German Businesses](#) for its endeavours in this area.

## E-learning programme on sustainability



Real helps its employees to grow and gives them the support they need to master new requirements. To this end, the company provides a large number of seminars, workshops and e-learning programmes. In the spirit of shared responsibility, the goal is to inform all staff members about the sustainability measures and their significance for Real and for

society. Among other things, the company has been using an approximately 30-minute e-learning programme since 2015 which specifically explains the sustainability vision and the four fields of action. Various measures which Real has implemented for sustainable business are grouped under the heading “Acting responsibly”. Three additional programmes focus on saving energy, sustainable products and responsible purchasing.

### Sustainable projects of trainees

Every year on Customer Focus Day, the company’s trainees throughout Germany implement projects relating to various business, ecological and social topics. In financial year 2015/16, for example, our junior staff informed customers about ways in which to avoid food waste, organised a welcome day for refugees and presented sustainable products and their origins. Altogether, more than 30 projects were realised.

### Hardship fund

To give financial support to employees facing an emergency, Real set up a so-called hardship fund in 2012. It comprises donations from the staff and employer contributions, and is for the benefit of staff members who have made donations and their relatives and partners. The General Management and the Works Council decide jointly on how the funds are used. In the reporting period, eight employees received fast and unbureaucratic assistance in this way.

## Environment field of action

**Our mission: Our actions should have as little impact on the environment as possible and should conserve resources.**

Under the motto of “Acting responsibly”, Real is actively committed to protecting the climate and the environment. The company’s top priority is to use resources as sparingly as possible and promote environmentally sound production processes.

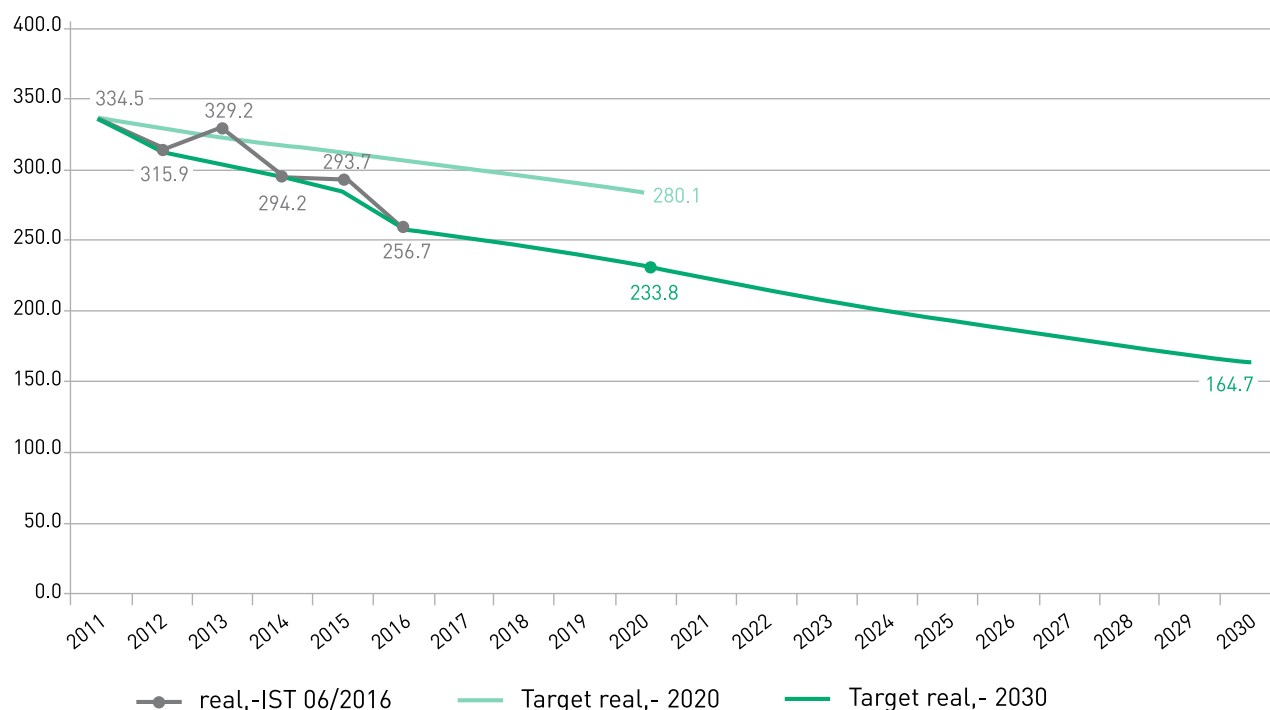
### New climate protection target for 2030

Real set itself a clear climate protection target back in 2011: Real wanted to cut greenhouse gas emissions by 16 per cent per square metre of selling space by 2020 compared to the reference year 2011. Appropriate measures were implemented so successfully that this target had already been achieved by the end of 2015. In order to make further efforts for the benefit of climate protection, Real set itself a new goal in early 2016: it wants to reduce greenhouse gas emissions per square metre of selling space by at least 50 per cent by 2030 compared to 2011. To achieve this goal, further specific measures are planned in various areas, such as sales floor lighting, refrigerating food items and logistics.

By using energy-efficient LED lights, Real saved 2,436 tonnes of carbon 18,593,750 kilowatt-hours of energy in financial year 2015/16. Since the lighting measures were introduced in 2011, the company has been able to reduce its carbon emissions by 20,000 tonnes.

In addition, Real is gradually replacing its refrigerators in the hypermarkets with energy-saving models. Of the 285 stores in total, 47 already have modern equipment. In this way, the company is saving an average of 40 per cent of electricity for cooling annually per refrigerator.

kg CO<sub>2</sub> / m<sup>2</sup> selling space (referring to total selling space 2,003,960 m<sup>2</sup>)



Source: Carbon Accounting Tool

Advertising brochures made of FSC®-certified paper



Flyers continue to be a major advertising medium for Real. Every week, the company distributes its leaflets to approximately 25 million households in Germany. For a number of years, materials with a high recycled content have been increasingly used for this. Since October 2015, Real has been using a blend of recycled paper and fresh fibres from sustainable and responsible sources for its weekly flyers. Customers recognise this by the FSC® Mix label on the back of the advertising leaflets.

## Field of action customers and society

**Our mission: Our public activities are characterised by credible social responsibility and ties to the community.**

Real assumes responsibility for society by conducting numerous voluntary projects and campaigns. The main focus is on supporting families with children and non-profit aid organisations. Another focus of the company's social responsibility activities is the provision of transparent and comprehensive consumer information concerning a healthy lifestyle.

## UNICEF fundraising drive



Real has been supporting the United Nations Children's Fund (UNICEF) for six years with the sale of UNICEF Christmas cards, with the entire proceeds going to the organisation in Germany. Revenues totalling approximately €750,000 from the sale of these cards have been donated to the children's fund since 2011. In the run-up to Christmas 2015, Real sold more than 22,000 sets of Christmas cards, generating sales revenues in the amount of €147,800 for UNICEF.

To expand their partnership, the two partners launched another joint campaign in financial year 2015/16. UNICEF teams went to 25 hypermarkets for several days to inform customers about the organisation's work and promote becoming a UNICEF sponsor. This resulted in approximately 1,500 sponsors being recruited.

## Wish tree campaign for children



Every year at Christmas, children in need and sick children are thrilled to have their Christmas present wishes fulfilled thanks to the Real wish tree campaign. Here, the company works closely with local institutions such as children's homes, children's hospices and children's food banks. The children's wishes are attached to wish trees in all Real hypermarkets during Advent – the customers can then take them home and bring joy to the children with a gift.

Since the start of the campaign in 2008, Real has fulfilled more than 160,000 children's wishes – 15,000 in financial year 2015/16 alone.

## Long-term collaboration with food banks



Real has enjoyed a more than ten-year partnership with the national food bank organisation Bundesverband Deutsche Tafel e. V. The hypermarkets throughout Germany donate food items which have not yet reached their best-before date to local food banks. These pass the products on to people in need. In addition, the stores regularly initiate campaigns in which customers purchase donations in kind at Real and pass them on to the local food bank.



In mid-2016, Real called on customers and partners to participate in a very special venture with the “Alt gegen Neu” (Old for new) bike exchange campaign: during a two-week campaign, all customers were invited to exchange their old bikes in return for an instant discount of up to about €348 in one of the hypermarkets. All the customers who donated a roadworthy bike or a bike in need of repair also received a discount on selected new models. To make the exchanged or donated bikes fit for the road again, Real invited customers, hobby mechanics and craftsmen to participate in “repair days” held at 16 stores. The 758 repaired bikes were donated to local food banks.

### Customer information on a healthy lifestyle

Under the motto of „Besser Leben” (Better living), Real promotes a healthy lifestyle and offers its customers specific information regarding this issue – in brochures, magazines, flyers, on the company website and in the hypermarkets. In addition, consumers can learn about a balanced diet and sports- and health-related issues on the “Besser Leben” website.

To help customers eat a balanced diet, Real also provides clear information on the components of individual food items. For example, the packaging of all own-brand items contains nutrition information tables offering an overview of the energy and nutrient content and information about the percentage of the recommended daily allowance that the product supplies. Customers can also learn about specific issues in extensive [lists on Real website](#), such as: which products have been clarified with gelatin and which lab was used for which product?

# KEY PERFORMANCE INDICATORS AND GOALS

## Key performance indicators

The chapter “key performance indicators” provides information about METRO GROUP’s sustainability performance in the form of key performance indicators (KPIs). It is divided into figures showing the company’s economic performance, staff-related KPIs, key indicators regarding the “sustainable operations” area of responsibility, which covers the responsible use of resources, key indicators for the “sustainable procurement and assortment” area of responsibility, and KPIs on sustainable consumption.

## Reporting period

The reporting year is the same as the METRO GROUP financial year, i.e. 1 October to 30 September. Key performance indicators are reported for the previous three financial years.

Reporting of the climate protection target also includes the target’s reference year, 2011. The figure for the reference year relates to the period from 1 January to 31 December 2011. A different reporting period is used in this case because METRO GROUP changed its financial year from the calendar year to the twelve months from October to September in 2013.

## Approach to data collection

The key performance indicators reported are based on data that is gathered using various internal reporting systems. As a rule, this data is systematically recorded for each sales line and each country every quarter, in some cases every month. The KPIs are based on data collected for the whole METRO GROUP, that is for all of the sales lines’ stores, back offices and warehouses and for the head office in Düsseldorf. It is necessary to extrapolate and estimate consumption data for some KPIs in cases where the primary data available is incomplete. This applies to the KPIs on sustainable operations. In a few isolated cases, we do not have access to reliable primary data which we can use to extrapolate consumption figures. As a result, this consumption is not included. The table showing the extent of the data available provides information about the coverage of each key performance indicator.

For instance, we do not have comprehensive measured or read-out energy usage data for the Media-Saturn consumer electronics stores which are tenants in shopping centres. Likewise, complete consumption figures are not available for a number of leased

warehouses used by our sales lines. For this reason, the energy-related KPIs' coverage is less than 100 per cent. In both cases, however, the related greenhouse gas emissions are included in the carbon footprint under Scope 3 (leased assets).

We do not have any data on the quantity of paper procured by Media-Saturn on a decentralised basis. Like energy consumption, paper usage is included in the carbon footprint. Consequently, the carbon footprint's coverage is less than 100 per cent.

The greenhouse gas emissions relating to purchased goods and services, assets and leased assets which are reported in accordance with Scope 3 are modelled because recording primary data for these is highly complex. The modelling is based on KPIs regarding METRO GROUP's economic value added and an economic input-output model that draws on the economic flows of goods and services. In the reporting year, we updated the data which serves as the basis for this model to use the most recent data available (2011). Additionally, we took into account the effect of exchange rates and inflation up to 2015.

The selling space figures used as a basis for some KPIs are averages for the year. They differ from the reporting date figures given in the annual report.

The KPIs we report for work-related accidents and continuing professional development do not currently cover all employees. We do not have the relevant data for all sales lines and organisational units.

## Deviations from previous reports

In some cases, the figures presented in previous sustainability reports differ from those cited in this report.

The employee KPIs and the KPIs regarding value added do not include Galeria Kaufhof, either in the year under review or in the previous years. The sales line was sold in financial year 2014/15.

There are differences compared with the greenhouse gas emissions reported in previous reports due to the updating of emission factors. We use emission factors to calculate the carbon equivalents of the consumption of the individual emission sources. Our primary sources for emission factors are the Defra, TREMOVE and GEMIS databases and, in the case of modelled emissions, an economic input-output model.

There are other differences in the environmental KPIs, arising from estimated figures having been replaced by actual values. In a number of cases, the utilities provide us with consumption figures quite late, and we therefore initially work on the basis of estimates.

We complete our data collection and reporting on an ongoing basis to improve the level of transparency and the way we manage our sustainability performance.

As part of these efforts, we have included additional KPIs in our reporting and expanded on several existing ones. The following new KPIs have been added since our previous reports:

- New employees
- Total energy consumption

At the same time, we have ceased to report several KPIs based on the results of our materiality analysis. The following KPIs are no longer sufficiently relevant for our steering and reporting:

- Emissions from refrigerant loss

- Proportion of eco-friendly paper
- Own logistics fleet in Germany

We have expanded the KPI relating to the number of sustainably fished products and sales of such products. The indicator now also includes fish and seafood products which are sustainably farmed and those certified as organic.

Our reporting of the KPI for energy usage per square metre of selling space now includes separate details of energy consumption for cooling in addition to specific figures for electricity and thermal energy usage. The previous year's figures have been restated accordingly.

| in %                                                                                  | 2015/16                                |
|---------------------------------------------------------------------------------------|----------------------------------------|
| Economic value (value added)                                                          | 100                                    |
| Employees: gender breakdown, part-time rate, age groups and nationalities             | 100                                    |
| Managers: gender breakdown, age groups and nationalities                              | 100                                    |
| Staff turnover and new employees                                                      | 100                                    |
| Work-related accidents                                                                | 38                                     |
| Continuing professional development – hours (FTE)                                     | 72                                     |
| Continuing professional development – cost (FTE)                                      | 65                                     |
| Training (trainees, interns and students)                                             | 100                                    |
| Factories in risk countries with a valid social audit                                 | 100                                    |
| Carbon footprint and climate protection target                                        | 97                                     |
| Energy                                                                                | 98                                     |
| Water                                                                                 | 98                                     |
| Sales of products certified as organic in line with EU regulations                    | METRO Cash & Carry<br>Germany and Real |
| Sales of regional products                                                            | Real                                   |
| Sales of fair-trade products (Fairtrade or GEPA label)                                | METRO Cash & Carry<br>Germany and Real |
| Number and sales of sustainably fished or farmed products (MSC, ASC or organic label) | METRO Cash & Carry<br>Germany and Real |
| Sales of products from sustainable forestry (FSC® or PEFC label)                      | Real                                   |
| Sales of energy-efficient appliances (energy efficiency classes A+ to A+++)           | Media Markt and Saturn<br>worldwide    |
| Amount of waste and recycling rate                                                    | 98                                     |
| Community investment                                                                  | 100                                    |

All of the sustainability KPIs have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft.

## Company

Economic value (value added) **SDG8**

| in € million                                                           | 2013/14 <sup>1</sup> | 2014/15 | 2015/16        |
|------------------------------------------------------------------------|----------------------|---------|----------------|
| <b>Key performance indicator</b>                                       |                      |         |                |
| Revenue from sales                                                     | 59,937               | 59,219  | <b>58,417</b>  |
| Interest yields                                                        | 48                   | 62      | <b>93</b>      |
| Rent yields                                                            | 366                  | 361     | <b>332</b>     |
| Cost of sales                                                          | -48,176              | -47,577 | <b>-46,967</b> |
| Selling expenses                                                       | -10,513              | -10,221 | <b>-9,960</b>  |
| Administration costs                                                   | -1,326               | -1,467  | <b>-1,562</b>  |
| Write-downs                                                            | -1,162               | -1,487  | <b>-1,033</b>  |
| Personnel expenses                                                     | -6,450               | -6,505  | <b>-6,510</b>  |
| Dividend payments                                                      | 0                    | -319    | <b>-351</b>    |
| Interest expenditure                                                   | -434                 | -344    | <b>-314</b>    |
| Income taxes                                                           | -539                 | -480    | <b>-559</b>    |
| Investments (total capex)                                              | 1,001                | 1,411   | <b>1,413</b>   |
| Disinvestments (disposals of tangible assets and sales of companies)   | 534                  | 669     | <b>1,080</b>   |
| Net debt <sup>2</sup>                                                  | 4,655                | 2,527   | <b>2,301</b>   |
| EBITDA                                                                 | 2,228                | 2,177   | <b>2,530</b>   |
| EBITDA (before special items)                                          | 2,509                | 2,458   | <b>2,509</b>   |
| EBIT                                                                   | 1,077                | 711     | <b>1,513</b>   |
| EBIT (before special items)                                            | 1,531                | 1,511   | <b>1,560</b>   |
| Pre-tax profits                                                        | 536                  | 259     | <b>1,167</b>   |
| Net profit for the period from ongoing activities                      | -3                   | -221    | <b>608</b>     |
| Net profit for the period from discontinued activities after taxes     | 185                  | 935     | <b>49</b>      |
| Net profit for the period                                              | 182                  | 714     | <b>657</b>     |
| Net profit for the period attributable to shareholders of METRO AG     | 127                  | 672     | <b>599</b>     |
| thereof from ongoing activities                                        | -57                  | -263    | <b>550</b>     |
| thereof from discontinued activities                                   | 184                  | 935     | <b>49</b>      |
| Net profit for the period attributable to non-controlling shareholders | 55                   | 42      | <b>58</b>      |
| thereof from ongoing activities                                        | 54                   | 42      | <b>58</b>      |
| thereof from discontinued activities                                   | 1                    | 0       | <b>0</b>       |
| Earnings per share in €                                                | 0.39                 | 2.06    | <b>1.83</b>    |
| thereof from ongoing activities                                        | -0.18                | -0.80   | <b>1.68</b>    |
| thereof from discontinued activities                                   | 0.57                 | 2.86    | <b>0.15</b>    |
| Sum of cash flows <sup>2</sup>                                         | -155                 | 2,034   | <b>-2,036</b>  |

1 Adjustment due to discontinued activities (Galeria Kaufhof)

2 Including discontinued activities

Evaluation in relevant sustainability indices and rankings

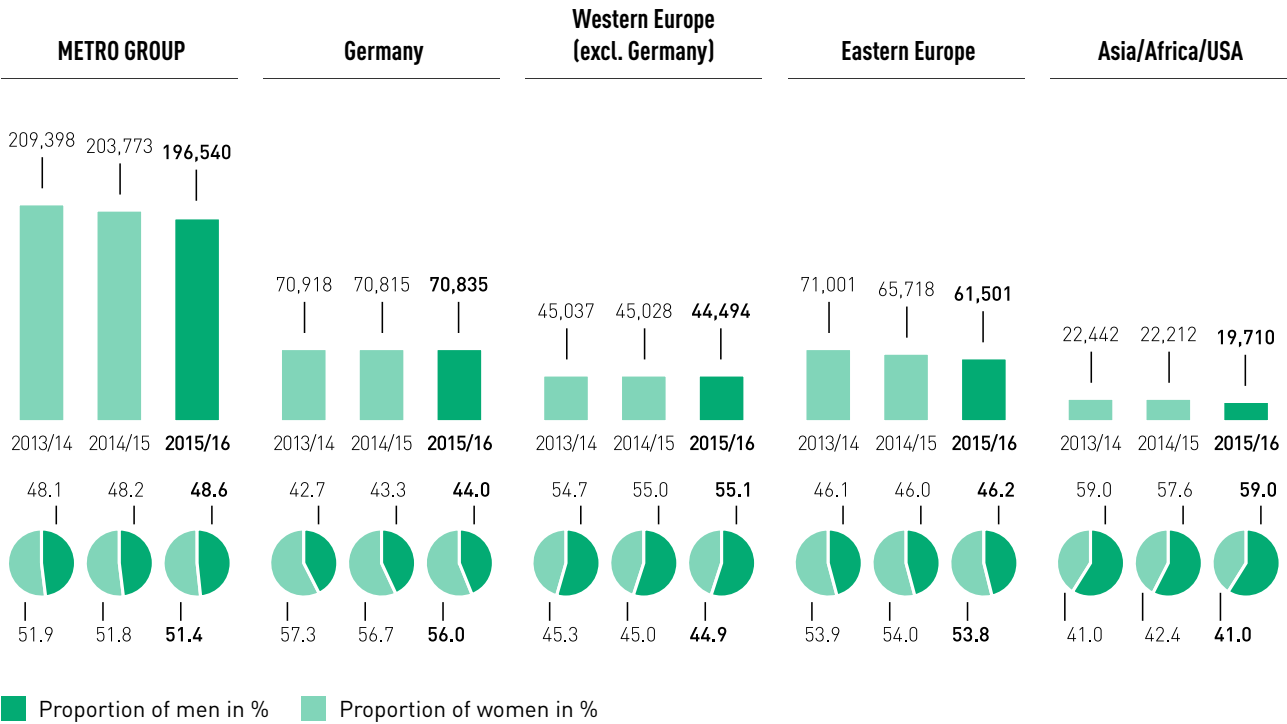
| Index/ranking                                          | Rating/score                                                             | Scale    | Year |
|--------------------------------------------------------|--------------------------------------------------------------------------|----------|------|
| Dow Jones Sustainability Index (DJSI) World/<br>Europe | 84<br>Industry Group Leader,<br>Food & Staples Retailing                 | 0 to 100 | 2016 |
| Oekom Corporate Rating                                 | C+<br>Prime Status                                                       | D- to A+ | 2014 |
| CDP Climate Scoring                                    | A-<br>Sector Leader, Consumer Staples (DACH region)<br>MDAX Index Leader | F to A   | 2016 |
| CDP Water Scoring                                      | C                                                                        | F to A   | 2016 |
| FTSE4Good Global/Europe Index                          | 3.4                                                                      | 0 to 5   | 2015 |

**Explanation:** As part of our stakeholder dialogue, we inform the capital market about our sustainability management activities. This means our sustainability performance is rated by independent third parties.

In financial year 2015/16, METRO GROUP confirmed its very good ratings in the Dow Jones Sustainability World and Europe Indices and its CDP climate score.

Efforts on behalf of the employees

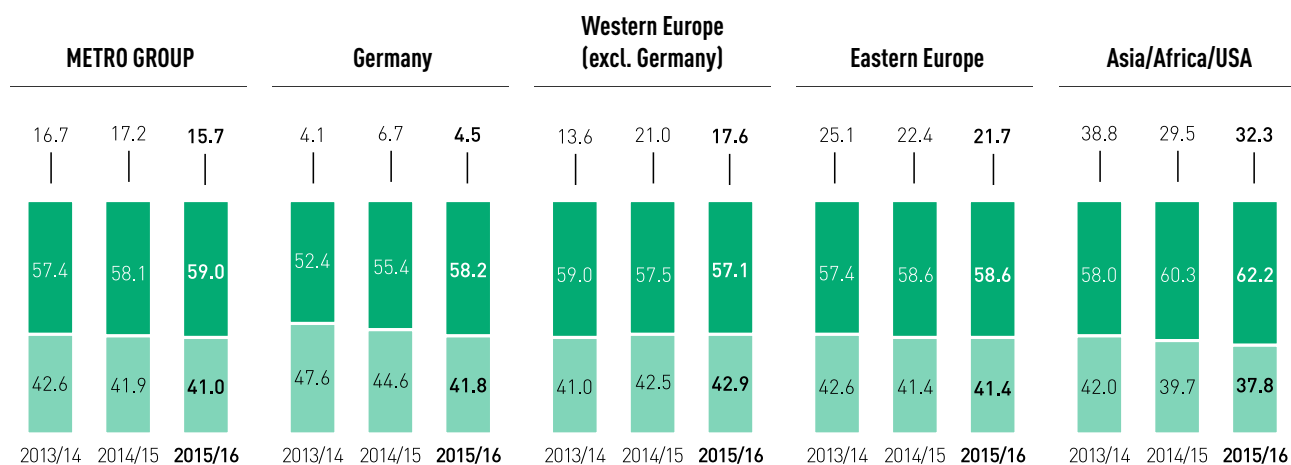
Employees



**Definition:** Full-time equivalent employees, average for the year, excluding trainees.

**Explanation:** The Galeria Kaufhof sales line was sold in financial year 2014/15. All of the employee KPIs for the previous years have been restated.

## New employees by gender (in %)

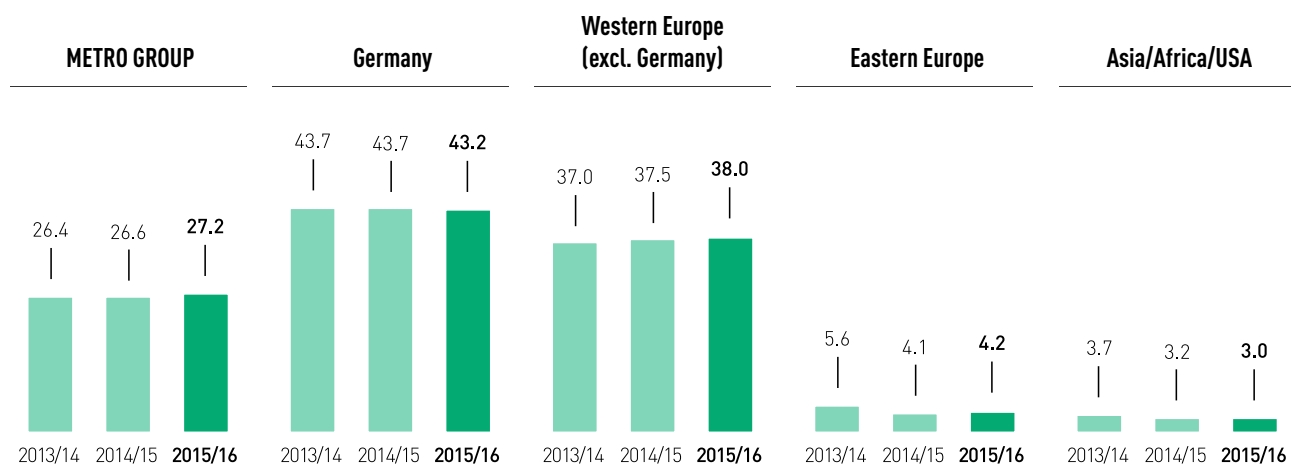


Proportion of new employees in relation to the average number of employees

■ Proportion of men ■ Proportion of women

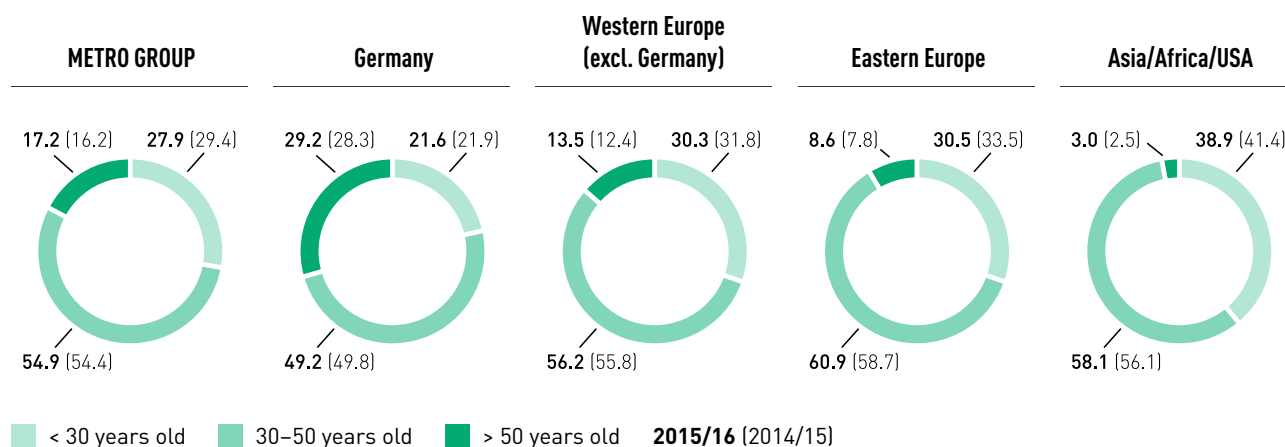
**Definition:** The figure for new employees includes all newly recruited staff and returning workers. The KPI shows the number of workers joining the company in relation to the average number of employees. It does not include trainees, interns, BA students and staff on temporary contracts.

## Part-time rate (in %)



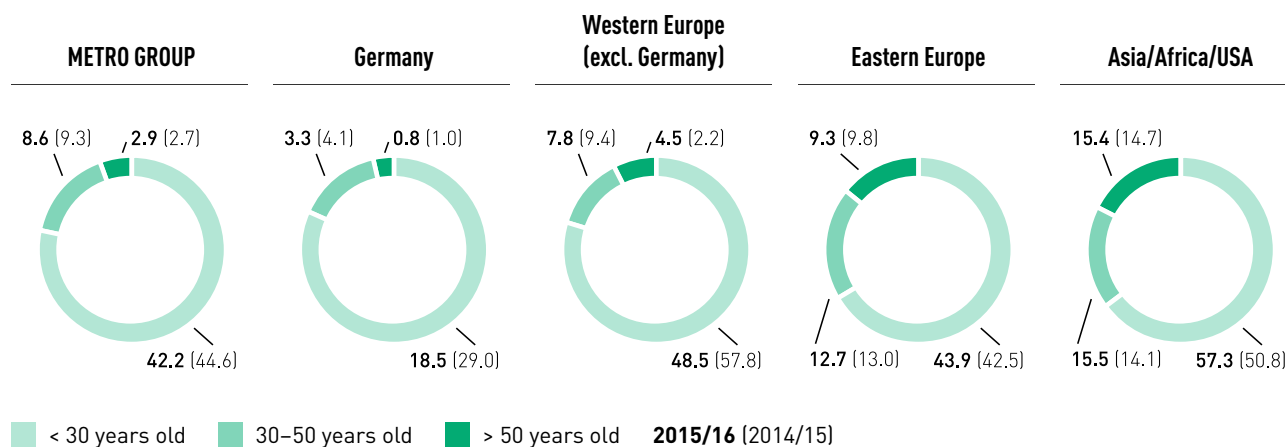
**Definition:** Share of part-time employees, average for the year, excluding trainees.

## Employees by age group (in %)



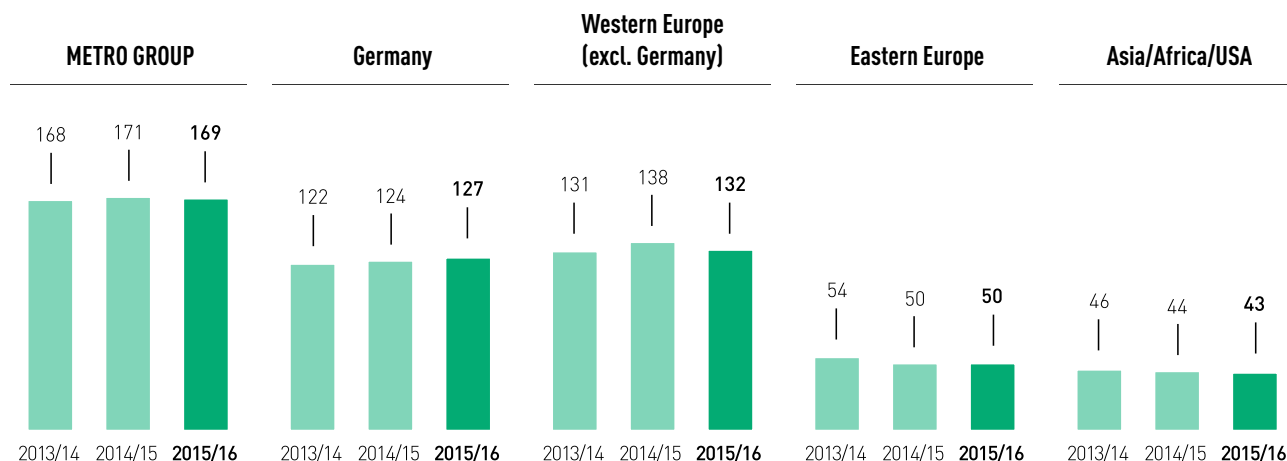
**Definition:** Breakdown of employees by age group, average for the year, including trainees.

## New employees by age group (in %)



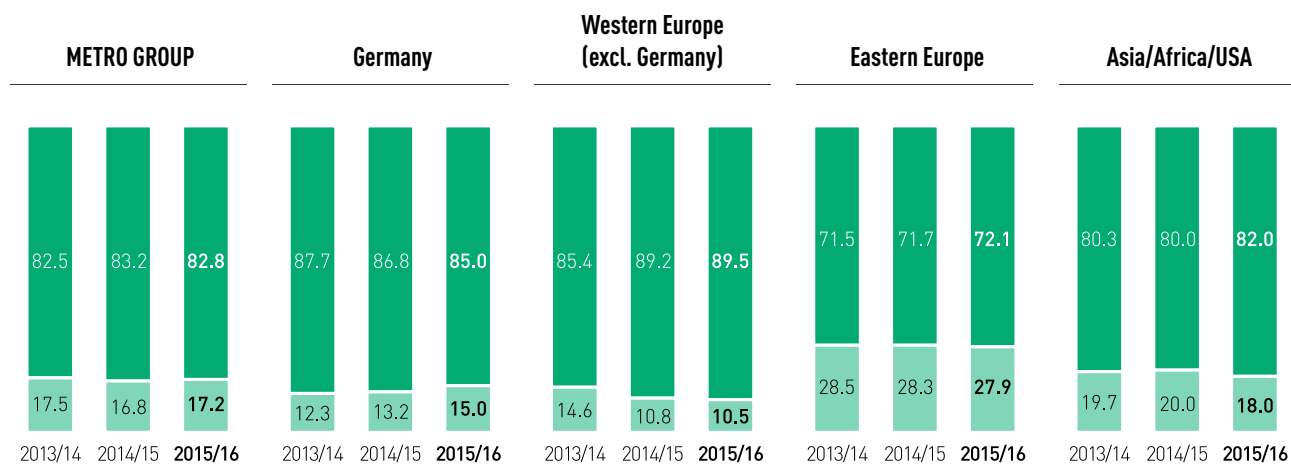
**Definition:** Breakdown of new employees by age group, average for the year. This does not include trainees, interns, BA students and staff on temporary contracts.

Number of nationalities



**Definition:** Number of different nationalities among our employees, excluding trainees, as of 30 September.

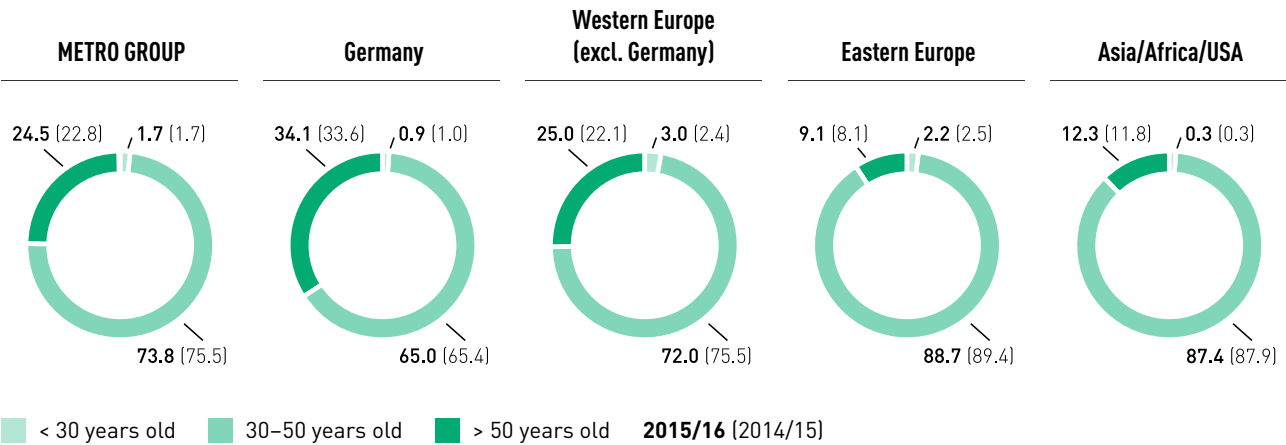
Gender breakdown in managerial positions (in %) SDG5



■ Proportion of men ■ Proportion of women

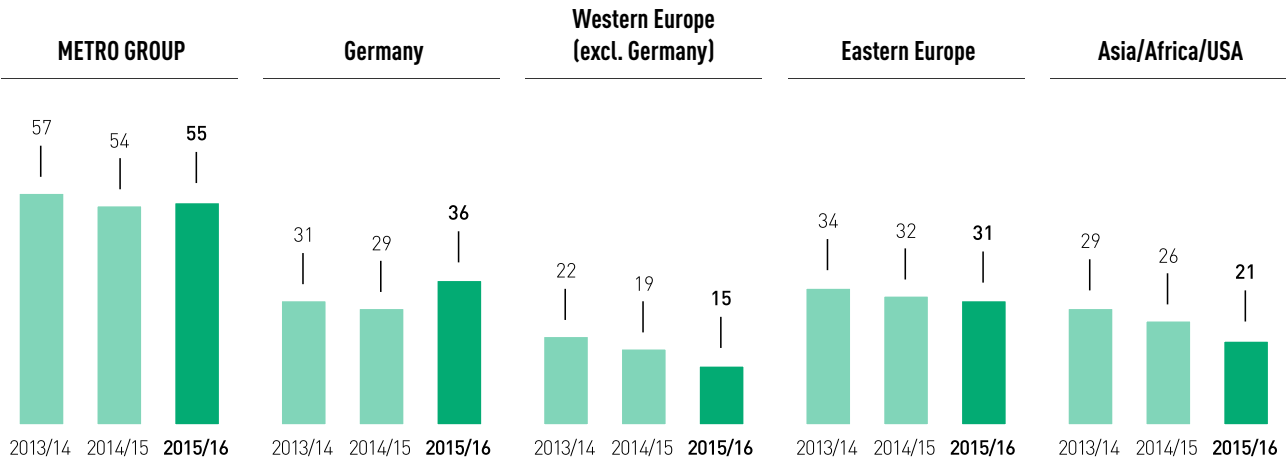
**Definition:** Managerial positions are those in levels 1–3 (Management Board, General Management, divisional management, departmental management and store management). The percentage of male and female employees in these positions is calculated (per capita as of 30 September).

Managers by age group (in %)



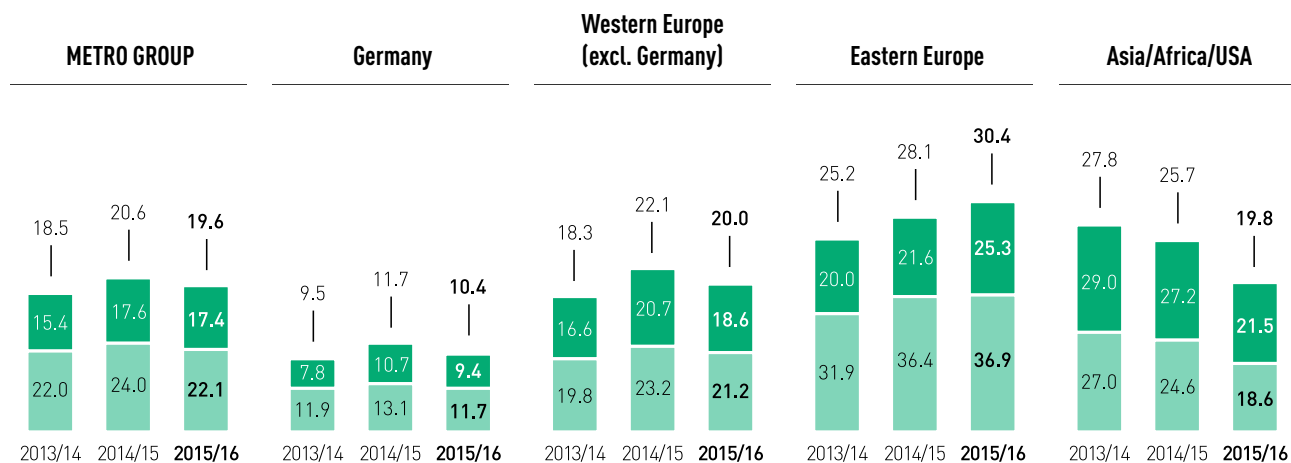
**Definition:** Breakdown of managers by age group as of 30 September.

Number of nationalities among managers



**Definition:** Number of different nationalities among our managers as of 30 September.

## Staff turnover by gender (in %)

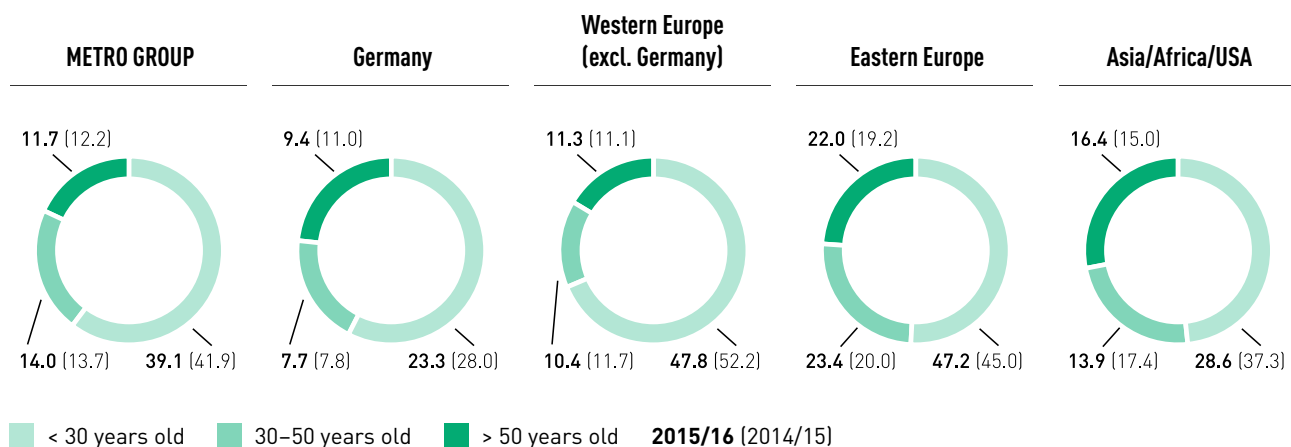


Staff turnover total   ■ Staff turnover of men   ■ Staff turnover of women

**Definition:** Staff turnover is defined as all employees leaving, i.e. those who retire, die or hand in their notice. The staff turnover rate is the number of workers leaving in relation to the average number of employees. All employees on permanent contracts are included.

**Explanation:** The staff turnover rate is high at METRO GROUP. This is primarily attributable to the fact that the staff turnover is generally high in several Asian and Eastern European countries where METRO GROUP operates.

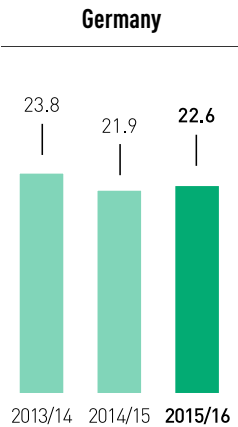
## Staff turnover by age group (in %)



■ < 30 years old   ■ 30-50 years old   ■ > 50 years old   2015/16 (2014/15)

**Definition:** Employees leaving due to retirement, death or resignation/dismissal, broken down by age and region. The staff turnover rate is the number of workers leaving in relation to the average number of employees.

Work-related accidents (per 1,000 employees) SDG3

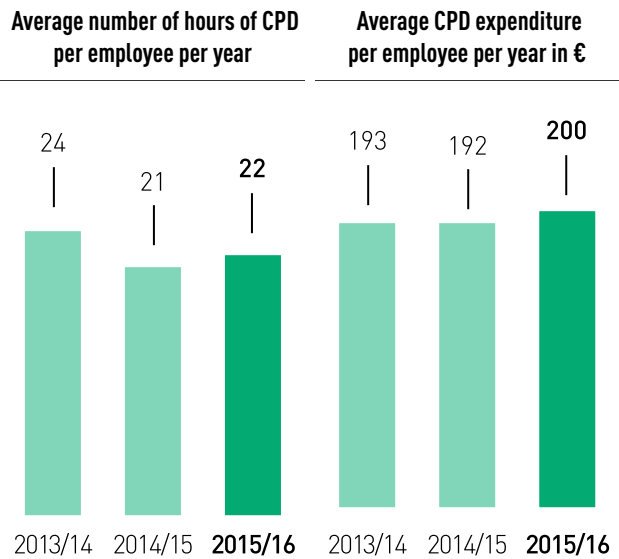


**Definition:** Number of reportable work-related accidents per 1,000 employees as compared to the number of full-time equivalent employees, average for the year. Accidents on the way to or from work are not included.

**Explanation:** There were 22.6 accidents per 1,000 full-time equivalent employees at the German METRO GROUP companies. Based on the actual headcount, there were 19.1 accidents per 1,000 employees. Because of the widely varying definitions of “work-related accident” in the countries in which METRO GROUP operates, we currently only report this KPI for Germany. We are working on a uniform group-wide reporting approach.

Steps are taken to ensure that working conditions within METRO GROUP do not pose a major risk of fatal accidents. For this reason, this is not a material topic for us as defined by GRI and we do not report concrete figures as a result. However, should an individual unexpectedly suffer a fatal accident due to occupational safety shortcomings, we have processes in place to inform the occupational health and safety officer at METRO AG immediately so that an investigation can be launched to identify the causes. In the interests of prevention, the results of any such investigation would also be shared with other group companies.

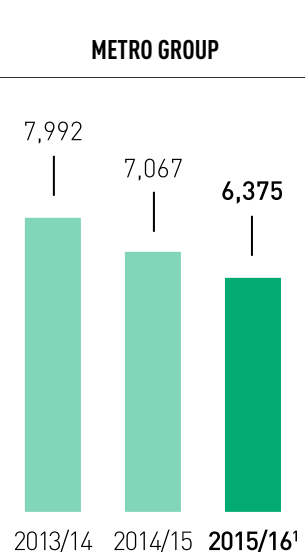
Continuing professional development SDG4



**Definition:** Training (hygiene, occupational safety, etc.) and courses focusing on ongoing operations plus medium- and long-term CPD opportunities that are offered with a view to enhancing the course of business.

**Explanation:** Continuing professional development is an important part of METRO GROUP's sustainable HR policy. We currently publish indicators on this topic covering more than two thirds of our workforce.

Training (trainees, interns and students)



**Definition:** All trainees including interns and students.

**Explanation:** The German companies' training rate was 6.6 per cent in financial year 2015/16.

<sup>1</sup> Scope has been changed for Germany compared to the previous years

## Sustainable operations

### Carbon footprint SDG13

Greenhouse gas emissions in tonnes of carbon (carbon equivalents)

|                                                   | Reference year<br>2011 | 2013/14          | 2014/15          | 2015/16          |
|---------------------------------------------------|------------------------|------------------|------------------|------------------|
| Scope 1 – direct greenhouse gas emissions         | 1,084,509              | 1,015,598        | 871,837          | <b>760,186</b>   |
| Scope 2 – indirect greenhouse gas emissions       | 2,432,102              | 1,786,594        | 1,495,710        | <b>1,416,418</b> |
| Scope 3 – other indirect greenhouse gas emissions | 6,113,122              | 5,562,362        | 5,151,775        | <b>4,589,161</b> |
| <b>Total greenhouse gas emissions</b>             | <b>9,629,733</b>       | <b>8,364,553</b> | <b>7,519,322</b> | <b>6,765,764</b> |

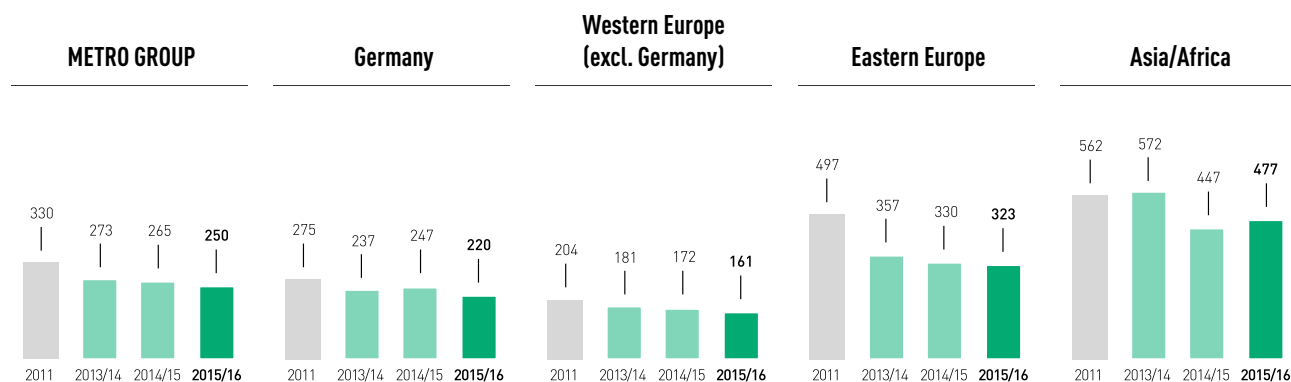
**Definition:** Level of all main emissions by Scope in line with the methodology of the Greenhouse Gas Protocol.

The following sources of emissions are included:

- Scope 1 = fuel oil, natural gas, liquefied natural gas (LNG), liquefied petroleum gas (LPG), refrigerant losses from commercial cooling, refrigerant losses from air-conditioning, fuel consumption of company cars and the group's own logistics fleet, emergency power generators
- Scope 2 = electricity consumption, long-distance heating and cooling
- Scope 3 = all external logistics, in-house paper consumption for advertising and office purposes, business trips, goods and services purchased for own use, capital assets, upstream chain emissions and grid losses for all direct and indirect energy sources, waste, staff commutes, leased assets

### Status of climate protection target

Greenhouse gas emissions in kilograms of carbon (carbon equivalents) per m<sup>2</sup> of selling space



**Definition:** Greenhouse gas emissions from METRO GROUP's stores, back offices and warehouses (by selling space) included within the climate protection target. Included are the emissions from electricity, heating and cooling energy consumption, also counting upstream chains and grid losses, refrigerant emissions from commercial cooling and air-conditioning, fuel consumption by company cars, in-house paper consumption for advertising material and office purposes as well as business trips.

**Explanation:** We aim to reduce our specific greenhouse gas emissions by 50 per cent between 2011 and 2030. In concrete terms, this means that we want to cut our emissions per square metre of selling space from 330 to 165 kilograms of carbon equivalents per annum.

Between October 2015 and September 2016, METRO GROUP generated 250 kilograms of carbon equivalents per square metre of selling space. The significant decline in emissions compared with the reference year 2011 can essentially be attributed to three factors:

- Measures to reduce consumption relating to energy, company cars, paper and business travel, and to reduce emissions caused by refrigerant loss
- General technical and scientific developments as reflected by the adjustment of the emission factors used to calculate carbon equivalents
- Changes in the store portfolio due to the sale of old and purchase of new locations. In Eastern Europe and Asia, for instance, particularly emission-intensive locations were sold. On the other hand, locations in Germany and Western Europe with emissions per square metre of selling space below the group average were sold

### Trends in the emission sources included in the climate protection target

Greenhouse gas emissions in kilograms of carbon (carbon equivalents) per m<sup>2</sup> of selling space

|                            | Reference year 2011 | 2015/16      | Change in %  |
|----------------------------|---------------------|--------------|--------------|
| Electricity consumption    | 211.9               | 150.0        | -29.2        |
| Thermal energy consumption | 28.1                | 29.7         | 5.7          |
| Company cars               | 7.1                 | 7.5          | 6.1          |
| Refrigerant losses         | 56.7                | 44.7         | -21.2        |
| Paper consumption          | 23.3                | 16.4         | -29.9        |
| Business travel            | 2.8                 | 1.8          | -34.9        |
| <b>Total</b>               | <b>329.9</b>        | <b>250.1</b> | <b>-24.2</b> |

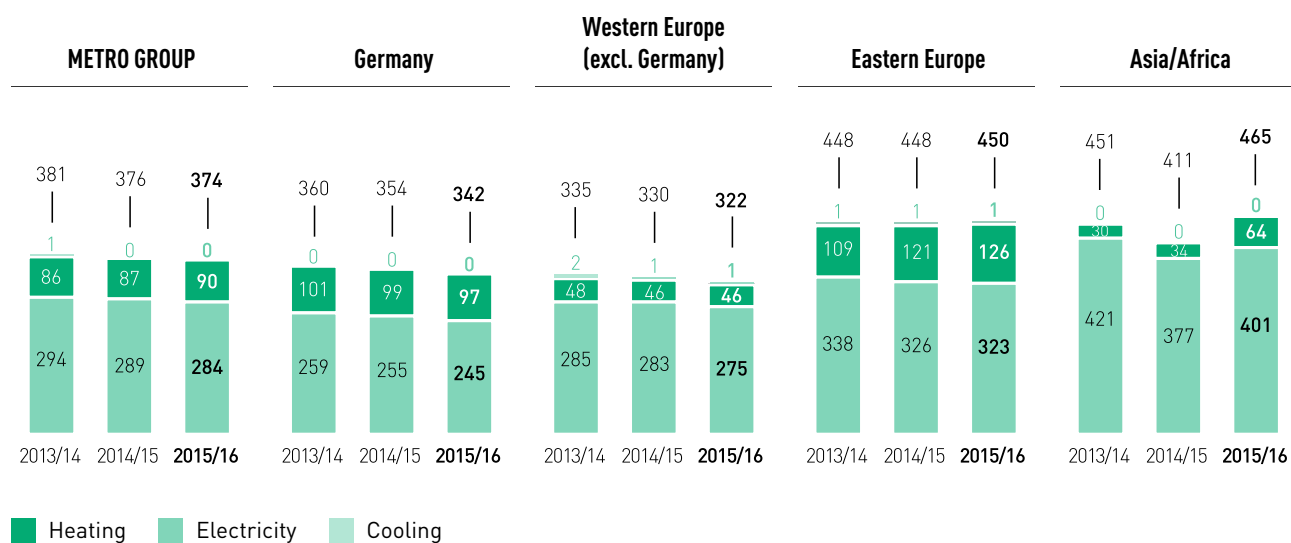
**Definition:** Trends in carbon emissions per square metre from all the emission sources included in the climate protection target compared to the reference year 2011.

Total energy consumption (in MWh)

| in MWh                                            | 2013/14          | 2014/15          | 2015/16          |
|---------------------------------------------------|------------------|------------------|------------------|
| Fuel (heating oil, gas, petrol, diesel, LPG, LNG) | 1,338,512        | 1,275,001        | 1,196,022        |
| Electricity                                       | 3,594,949        | 3,071,126        | 2,964,314        |
| District heating/cooling                          | 223,355          | 136,719          | 140,881          |
| Steam                                             | 0                | 0                | 0                |
| <b>Total energy consumption</b>                   | <b>5,156,817</b> | <b>4,482,847</b> | <b>4,301,217</b> |

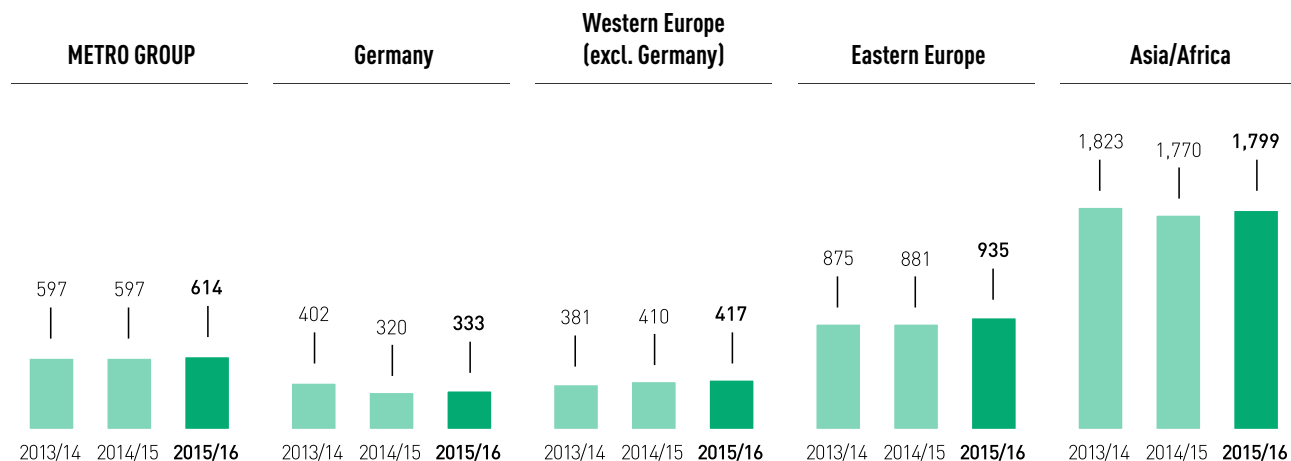
**Definition:** Energy consumption for operating the locations and for transportation broken down into the different types of energy used. Fuel includes fuel oil, combustion fuel, natural gas and liquefied natural gas.

Electricity, heating and cooling energy consumption (in kWh per m<sup>2</sup> of selling space)



**Definition:** Locations' energy consumption in relation to selling space. Energy consumption consists of electricity consumption and heating and cooling energy consumption (fuel oil, natural gas, liquefied natural gas [LNG], liquefied petroleum gas [LPG], emergency power generators and long-distance heating/cooling).

Water withdrawal and wastewater generated (in l per m<sup>2</sup> of selling space) SDG6



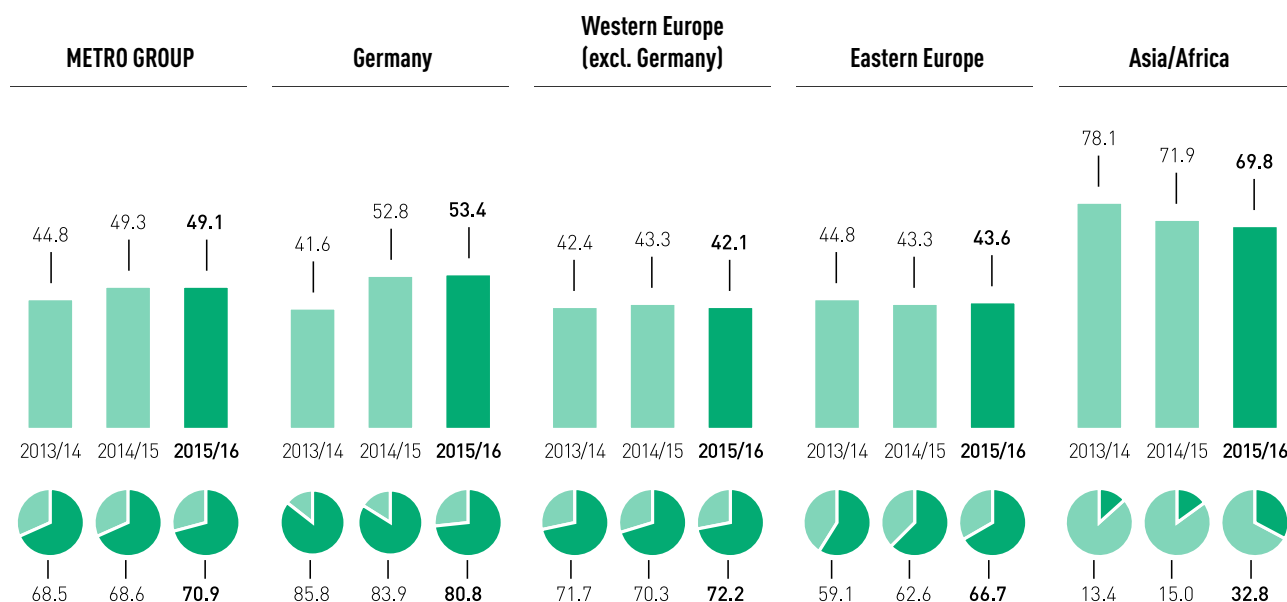
**Definition:** Water withdrawal by the locations in relation to selling space.

**Explanation:** In absolute terms, METRO GROUP drew 6.4 million m<sup>3</sup> of fresh water in the reporting period. At the warehouses, stores and back offices, water is primarily used for cleaning and sanitary facilities. In addition to this, water may be used for storing, transporting and selling food, for example for keeping live fish or making ice to chill fresh fish.

At the group level, we measure and monitor the amount of water which the company draws from the public drinking water supply. The public drinking water supply is the only source from which we draw significant amounts of water.

We also measure and monitor the total amount of wastewater we generate at the group level. As our locations do not consume a significant amount of water, our calculations are based on the assumption that the volume of wastewater is the same as the amount of fresh water. All wastewater is fed into public sewers. We do not monitor the quality of the wastewater ourselves as this is not relevant given the usage described above.

Amount of waste and recycling rate (in kg per m<sup>2</sup> of selling space and in %)



**Definition:** Waste generated in relation to selling space. The amount of waste is made up of waste for disposal, for recycling or heat recovery, and hazardous and organic waste. The recycling rate is the amount of waste for recycling and heat recovery plus organic waste as compared to the overall quantity of waste.

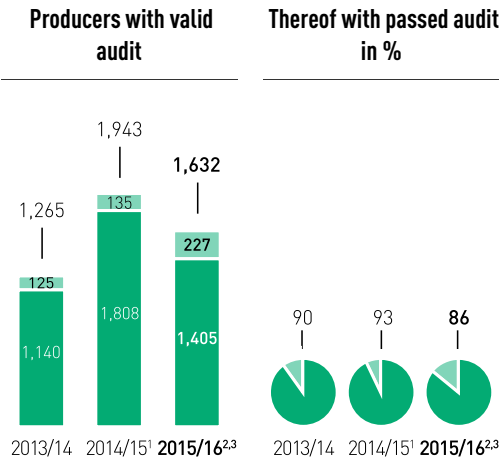
**Explanation:** The volume of waste in absolute terms fell again, to 512,272 tonnes. This can be broken down as follows:

- Waste for disposal (84,919 tonnes)
- Waste for recycling or heat recovery (296,429 tonnes)
- Organic waste (66,967 tonnes)
- Hazardous waste (63,957 tonnes)

When we calculate the recycling rate, we do not take hazardous waste into account because we cannot systematically record the way in which it is treated (recycled or disposed of) in all of the countries in which we operate. However, based on information from several countries, most of the hazardous waste is also recycled. In reality, the recycling rate is therefore considerably higher.

## Sustainable procurement and assortment

Social audits relating to own imports by MGB Hong Kong and non-food own brands of the METRO GROUP sales lines SDG10



### Producers with passed audit

Producers that have passed the audit can demonstrate their successful compliance with the BSCI standard or an equivalent social standard system by presenting a certificate awarded by an independent third party.

1 Adjustment of the 2014/15 figures for social audits at producers relating to own imports through MGB Hong Kong; in addition, the 2014/15 figures include producers relating to non-food own brands of the METRO GROUP sales lines.

2 Adjustment of the 2015/16 figures due to the sale of the former METRO GROUP sales line Galeria Kaufhof.

3 From 2015, adjustment of BSCI rating system from three rating categories (good/improvements needed/non-compliant) to five rating categories (A/B/C/D/E). The result "improvements needed" was understood as a passed audit. Under the new measurement system, a portion of the previous "improvements needed" results was assigned to the categories "C" (passed audit) and "D" (failed audit). This adjustment resulted in a lower share of producers with a passed audit in the last financial year.

**Definition:** Status of all the producers in defined risk countries in which MGB Hong Kong has import goods manufactured based on the assessment of the Business Social Compliance Initiative (BSCI), and of producers that manufacture own brands or own imports in the areas of clothing, shoes, toys and consumer durables for the METRO GROUP sales lines. Producers that have passed the audit can demonstrate their successful compliance with the BSCI standard or an equivalent social standards system by presenting a certificate awarded by an independent third party.

**Explanation:** 1,632 producers were audited as of 30 September 2016. Of these, 86 per cent (1,405 producers) passed the audit. Producers whose audit results identified a need for improvement have twelve months to provide proof of those improvements through a follow-up audit. As of 1 January 2017, METRO Cash & Carry and Real will tighten the requirements for suppliers such that new producers will only be used if their audit results are at least acceptable. A two-year transitional period will apply to current producers..

The key performance indicator relates to all the factories of which we are made aware by our suppliers.

## Sustainable consumption

We include sustainable, energy-efficient and resource-saving products in our range so as to promote responsible consumption.

### Sales of products certified as organic in line with EU regulations

| in Germany, in € million    | 2013/14 | 2014/15 | 2015/16 |
|-----------------------------|---------|---------|---------|
| METRO Cash & Carry and Real | 96      | 107     | 130     |

### Sales of regional products

| in Germany, in € million | 2013/14      | 2014/15 | 2015/16 |
|--------------------------|--------------|---------|---------|
| Real                     | not recorded | 302     | 367     |

### Sales of fair-trade products (Fairtrade or GEPA label)

| in Germany, in € million    | 2013/14      | 2014/15 | 2015/16 |
|-----------------------------|--------------|---------|---------|
| METRO Cash & Carry and Real | not recorded | 9       | 12      |

### Number of sustainably fished or farmed products (MSC, ASC, organic) SDG14

| in Germany, no. of products                      | 2013/14 <sup>1</sup> | 2014/15 <sup>1</sup> | 2015/16 |
|--------------------------------------------------|----------------------|----------------------|---------|
| Own-brand products, Real and METRO Cash & Carry  | 90                   | 108                  | 133     |
| Brand-name products, Real and METRO Cash & Carry | 775                  | 773                  | 968     |

<sup>1</sup> ASC and organic products not recorded

### Sales of sustainably fished or farmed products (MSC, ASC, organic) SDG14

| in Germany, in € million    | 2013/14 <sup>1</sup> | 2014/15 <sup>1</sup> | 2015/16 |
|-----------------------------|----------------------|----------------------|---------|
| METRO Cash & Carry and Real | 56                   | 80                   | 86      |

<sup>1</sup> ASC and organic products not recorded

## Sales of products from sustainable forestry (FSC® or PEFC label) SDG15

| in Germany, in € million | 2013/14 <sup>1</sup> | 2014/15 <sup>1</sup> | 2015/16 |
|--------------------------|----------------------|----------------------|---------|
| Real                     | 4                    | 15                   | 13      |

1 Corrected since 2014/15 report

## Sales of energy-efficient appliances (energy efficiency classes A+ to A+++)

| globally, in € million          | 2013/14      | 2014/15 | 2015/16 |
|---------------------------------|--------------|---------|---------|
| Media-Saturn group of companies | not recorded | 3,160   | 3,231   |

## Social engagement

## Community investment SDG17

| in € thousand          | 2013/14 <sup>1</sup> | 2014/15      | 2015/16      |
|------------------------|----------------------|--------------|--------------|
| Charitable donations   | 2,555                | 2,450        | 1,400        |
| Community investments  | 1,743                | 1,949        | 2,815        |
| Commercial initiatives | 3,227                | 3,574        | 3,326        |
| <b>Total</b>           | <b>7,525</b>         | <b>7,973</b> | <b>7,541</b> |

1 Category allocation was adjusted

## METRO GROUP's carbon footprint

### Why are climate change and climate protection important to METRO GROUP? SDG13

Climate change presents METRO GROUP with both risks and opportunities. Physical risks may affect our business directly or indirectly. For example, changes in the volume or frequency of precipitation may have an impact on the price and availability of agricultural products. Also, our store operations may be jeopardised by extreme weather such as torrential downpours with flooding or storms.

Regulatory risks may affect our business directly or indirectly. For example, the levies imposed by Germany's Renewable Energy Sources Act (EEG) have an impact on our procurement of electricity.

One way in which we counter these risks is with procurement and supply chain management that creates the necessary structures to ensure the availability of goods at all times. Among other things, we are investing in technical measures to conserve energy, in energy management systems in accordance with ISO 50001, in switching to refrigerants which are less harmful to the environment and in programmes that will change the behaviour of every single employee.

However, we not only see risks in climate change, but also opportunities. Sustainability will continue to grow in importance on a global scale, and the expectations in this respect on the side of customers, employees, investors, politics and society will increase. Continuing to systematically implement our sustainability strategy will enhance the appeal of METRO GROUP and its sales lines and own brands for these stakeholder groups.

While achieving our climate protection target does indeed require investments, these will lead to savings in the medium to long term thanks to lower costs, in particular for energy, resulting in both financial and environmental benefits and improvements.

Through our participation in the CDP climate change survey since 2006, we have provided information to the public about our climate protection strategy, the risks and opportunities resulting from climate change and the ways in which we manage our emissions. Based on this, we were once again named Sector Leader, Consumer Staples, and Index Leader, MDAX, in 2016.

### Carbon footprint and climate protection target

In 2015, the global community agreed in Paris to limit global warming to 2 degrees Celsius at most. Achieving this target will require a considerable reduction in global greenhouse gas emissions. METRO GROUP is playing its part here by reducing its specific greenhouse gas emissions by 50 per cent per square metre of selling space by 2030 compared to 2011.

This climate protection target relates to emissions that are central to our activities as a retail company and, most importantly, that we can influence directly. These are emissions from

- the consumption of fuel oil, natural gas, liquefied natural gas, electricity, district heating and cooling, and paper,
- refrigerant losses for commercial refrigeration and air-conditioning,
- the fuel consumption of company cars and emergency power generators,
- upstream chain emissions and network losses for all direct and indirect energy sources and
- business travel.

METRO GROUP has been recording and publishing its greenhouse gas emissions since 2008, taking into account all the main greenhouse gas emissions that we cause directly and indirectly in the course of our business activities. This detailed documentation forms the basis for our goal of minimising our impact on the climate. The emissions that are actively managed with a view to achieving the climate protection target make up almost 40 per cent of the total emissions. Our carbon footprint reporting also covers the following additional emission sources:

- Fuel consumption of the company's fleet of trucks
- All external logistics
- Goods and services procured for our own use (not including paper, as this is included in the climate protection target)
- Assets
- Waste
- Employee commuting
- Leased assets

## Methodology and reporting scope

Our reporting is based on the Corporate Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol. The emissions of all the sales lines, service companies and back offices are taken into account. With the aid of the group-wide Carbon Intelligence System introduced in 2011, we record consumption data for the aforementioned emission sources at virtually all stores, department stores, back offices and warehouses. Where the documentation of primary data is very cumbersome or impossible, we model these emission sources. For example, we derive the emissions of procured goods and services, assets and leased assets from the key performance indicators for METRO GROUP's economic value added using an economic input-output model that draws on the economic flows of goods and services.

We report on the overall effect of all greenhouse gas emissions in the form of carbon equivalents in order to gauge the impact of other greenhouse gases in addition to carbon emissions.

Since 2011, our carbon footprint has been subject to a business audit by KPMG AG Wirtschaftsprüfungsgesellschaft.

## Developments in greenhouse gas emissions

From October 2015 to September 2016, METRO GROUP was responsible for a total of 6.8 million tonnes of carbon equivalents (prior-year period: 7.5 million tonnes). We have therefore reduced our emissions by more than 2.8 million tonnes compared with the reference year 2011. The carbon footprint shows a breakdown of all the documented emissions by direct emissions (in accordance with Scope 1), indirect emissions (Scope 2) and other indirect emissions (Scope 3).

## Carbon footprint

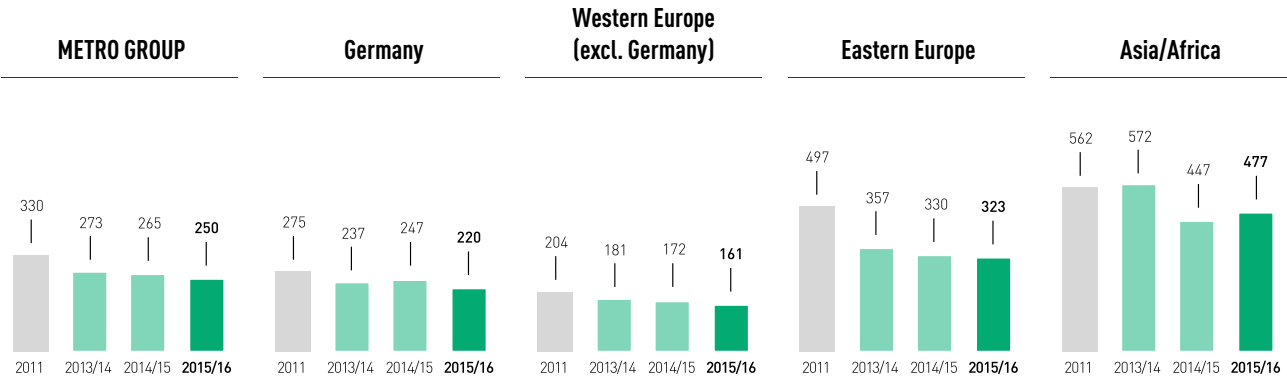
Greenhouse gas emissions in tonnes of carbon (carbon equivalents)

|                                                   | Reference year<br>2011 | 2013/14          | 2014/15          | 2015/16          |
|---------------------------------------------------|------------------------|------------------|------------------|------------------|
| Scope 1 – direct greenhouse gas emissions         | 1,084,509              | 1,015,598        | 871,837          | <b>760,186</b>   |
| Scope 2 – indirect greenhouse gas emissions       | 2,432,102              | 1,786,594        | 1,495,710        | <b>1,416,418</b> |
| Scope 3 – other indirect greenhouse gas emissions | 6,113,122              | 5,562,362        | 5,151,775        | <b>4,589,161</b> |
| <b>Total greenhouse gas emissions</b>             | <b>9,629,733</b>       | <b>8,364,553</b> | <b>7,519,322</b> | <b>6,765,764</b> |

The emissions actively managed in relation to the climate protection target total 250 kilograms of carbon equivalents per square metre of selling space (prior-year period: 265 kilograms). Compared with the reference year 2011, we have therefore already reduced emissions by 24 per cent.

### Status of the climate protection target

Greenhouse gas emissions in kilograms of carbon (carbon equivalents) per square metre of selling space



The significant decline in emissions compared with the reference year 2011 can essentially be attributed to three factors:

- Measures to reduce emissions, in particular those with respect to energy consumption and refrigerant losses (drop of 15 per cent)
- General technical and scientific developments as reflected by the adjustment of the emission factors used to calculate carbon equivalents (drop of just under 6 per cent)
- Changes in the store portfolio due to the sale of old and purchase of new locations. In Eastern Europe and Asia, for instance, particularly emission-intensive locations were sold. On the other hand, locations in Germany and Western Europe with emissions per square metre of selling space below the group average were sold (drop of approximately 3 per cent).

## Goals

| Topic                                              | Goals                                                                                          | Status – goal achievement                                                                               | Measures                                                                                                                                                                                                                                                                                                                                                                                                                         | Status – measures                                                                                        |
|----------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>EMBEDDING SUSTAINABILITY WITHIN THE COMPANY</b> | METRO GROUP is systematically making sustainability part of its work.                          | <br>Work in progress   | In a first step, sustainability was integrated into all the key business processes by 2016 by identifying the key processes and their link to the topic on the basis of a materiality analysis.<br>In a second step, the issue is being continuously implemented within the business processes, for example on the basis of guidelines.                                                                                          | <br>Measure ongoing   |
|                                                    |                                                                                                |                                                                                                         | Enhancing employees' awareness of sustainable behaviour.                                                                                                                                                                                                                                                                                                                                                                         | <br>Measure ongoing   |
|                                                    |                                                                                                |                                                                                                         | Development of a sustainability campaign completed.                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                          |
|                                                    |                                                                                                |                                                                                                         | — Internal and external communication materials on the topic of "METRO and sustainability" being generated and distributed.<br>— Conducting of workshops on "sustainability within METRO GROUP", in particular in the Cash & Carry country organisations.<br>— Additionally, sustainability events held, such as a Sustainability Day at the headquarters and in 13 countries.                                                   |                                                                                                          |
|                                                    |                                                                                                |                                                                                                         | Inclusion of a dedicated question on sustainability in the annual employee opinion survey, METRO Voice. The survey is conducted at METRO Cash & Carry and in the service companies.                                                                                                                                                                                                                                              |                                                                                                          |
|                                                    |                                                                                                |                                                                                                         | Sustainability has been and will continue to be included as a topic in existing training programmes.                                                                                                                                                                                                                                                                                                                             | <br>Measure ongoing |
|                                                    |                                                                                                |                                                                                                         | Establishment of a programme for management development for the specific purpose of boosting sustainability awareness.                                                                                                                                                                                                                                                                                                           |                                                                                                          |
| Topic                                              | Goals                                                                                          | Status – goal achievement                                                                               | Measures                                                                                                                                                                                                                                                                                                                                                                                                                         | Status – measures                                                                                        |
| <b>SUSTAINABLE PROCUREMENT AND ASSORTMENT</b>      | METRO GROUP is intensifying its commitment to ensure fair working conditions at its suppliers. | <br>Work in progress | Continued inclusion of all non-food own-brand producers <sup>1</sup> in a valid BSCI or equivalent social standard system and increase the proportion of valid audits for products manufactured in a risk country <sup>2</sup> .<br><br>Tightening of requirements made to suppliers of METRO Cash & Carry and Real such that all the producers used <sup>1</sup> must have at least acceptable audit results by 1 January 2019. | <br>Measure ongoing |

<sup>1</sup> This includes merchandise factories (non-food own brands and own imports) that carry out the final significant and value-creating production step.

<sup>2</sup> BSCI definition of a risk country.

| Topic                         | Goals                                                                                                                                                                         | Status –<br>goal achievement                                                                          | Measures                                                                                                                                                                                                                                                                    | Status –<br>measures                                                                                   |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>SUSTAINABLE OPERATIONS</b> | METRO GROUP is reducing its greenhouse gas emissions by 50 per cent, from 330 kg CO <sub>2</sub> e/m <sup>2</sup> in 2011 to 165 kg CO <sub>2</sub> e/m <sup>2</sup> in 2030. | <br>Work in progress | Energy Saving Programme: investments to increase energy efficiency and renewable energies.<br>Energy Awareness Programme: strengthen awareness of responsible use of energy.<br>F-Gas Exit Programme: investments in the reduction of emissions from refrigeration systems. | <br>Measure ongoing |

| Topic                                                                  | Goals                                                                                                                                              | Status –<br>goal achievement                                                                          | Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status –<br>measures                                                                                   |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>SUSTAINABLE PROCUREMENT AND ASSORTMENT/ SUSTAINABLE CONSUMPTION</b> | METRO GROUP is initiating and supporting the development of an international, multi-industry and product-spanning technical traceability solution. | <br>Work in progress | Following successful implementation of the traceability solution PRO TRACE for fish and meat product categories at METRO Cash & Carry Germany, it was also launched in other countries in early 2015. At present the project is involving ten countries and the international trading offices; Hungary, Spain, France, the Czech Republic and Turkey have already successfully entered the pilot phase. Another four countries are preparing the piloting. Additional countries as well as other interested suppliers from selected areas of the product range will be included in the project at the international level in 2017.<br>METRO Cash & Carry Germany has successfully completed the pilot project in the fruit and vegetables category. | <br>Measure ongoing |

| Topic                                         | Goals                                                                                                                                                                                                                                                                                                                       | Status –<br>goal achievement                                                                         | Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Status –<br>measures                                                                                       |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>SUSTAINABLE PROCUREMENT AND ASSORTMENT</b> | By 2015, we will have defined processes with which to assess the sustainability impact of the METRO GROUP sales lines' own-brand products. By continuously implementing our general METRO GROUP purchasing policy on sustainable procurement, we will work on all product categories relevant to aspects of sustainability. | <br>Goal achieved | Assessment of the social impacts of METRO Cash & Carry's own-brand portfolio and its effects on the environment along the supply chain has been completed. The assessment was performed at the levels of raw materials, products and product groups and follows the standard international assessment criteria for social and ecological impacts.<br><br>The purpose of this process was to establish basic requirements and to make supply chain and procurement management more sustainable in the relevant categories. We accomplished this with our guidelines.<br><br>Assessing the product portfolio, defining minimum standards and establishing specific KPIs enables METRO Cash & Carry to fulfil the requirements for a more sustainable assortment. | <br>Measure completed |

| Topic             | Goals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status –<br>goal achievement                                                                            | Measures                                                                                                                                                                                                                                                                                                                                                                                                                               | Status –<br>measures                                                                                      |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| SOCIAL ENGAGEMENT | METRO GROUP is expanding its food donation activities to international food bank initiatives from currently 15 METRO Cash & Carry countries to at least 17 countries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <br>Work in progress   | METRO Cash & Carry cooperates with food bank initiatives in 15 out of 25 countries. In the remaining countries, external circumstances such as political and tax-related factors make collaboration difficult.<br><br>METRO Cash & Carry is currently in communication with local aid organisations and political representatives in order to also push cooperation in those countries where external circumstances make it difficult. | <br>Ongoing measure    |
|                   | METRO GROUP's Community Involvement Programme "We Help" was launched at the start of financial year 2015/16. Its purpose is to provide unbureaucratic assistance and acute emergency relief and to contribute to the integration of refugees. The Management Board of METRO AG provided a total of €1 million for this purpose. Group employees can apply for one-off funding of up to €10,000 each for projects that they wish to support. This gives committed employees the opportunity to become actively involved in their immediate environment. By the end of financial year 2015/16, a total of €1 million shall be expended on refugee relief in Europe. We have thus increased the budget for social investment (corporate citizenship) by €1 million. | <br>Goal achieved      | The programme is being rolled out and promoted within the group. Online and offline, we want to inspire as many of our employees as possible to become involved.<br><br>In the past financial year, we received 119 applications from six countries for projects which provided assistance to approximately 33,000 people.                                                                                                             | <br>Measure completed  |
|                   | Due to the great success of the Community Involvement Programme, the Management Board has decided to continue it in financial year 2016/17. In 2017, all subsidiaries of the Wholesale & Food Specialist Company created from the planned demerger of METRO GROUP will have the opportunity to apply for financial support for their personal endeavours. All kinds of voluntary work are welcome.                                                                                                                                                                                                                                                                                                                                                               | <br>Work in progress | The new programme is rolled out and promoted within the group. We will encourage as many colleagues as possible, online and offline, to get involved.                                                                                                                                                                                                                                                                                  | <br>Measure launched |
|                   | The METRO GROUP Marathon has been held in Düsseldorf every year since 2005. One of the reasons of this sponsorship is to foster employee loyalty. Participation not only increases team spirit but also promotes the health of participants. On average, nearly 700 co-workers take part each year. In 2016, this number was expected to be increased to 800; with 775 employees the goal was nearly reached. We will therefore continue to work on increasing the number of participants.                                                                                                                                                                                                                                                                       | <br>Work in progress | Step up promotion of the METRO GROUP Marathon via the group's social intranet both within Germany and abroad.                                                                                                                                                                                                                                                                                                                          | <br>Measure ongoing  |

## Sustainable Development Goals



METRO GROUP supports the Sustainable Development Goals

### No Poverty

| SDG                                                                                                                              | Report Content                       | GRI G4 Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>End poverty in all its forms everywhere</p> | <b>METRO GROUP</b>                   | <p><b>Sustainability approach</b><br/> <b>Efforts on behalf of the employees</b></p> <ul style="list-style-type: none"> <li>— Fair working conditions</li> </ul> <p><b>Sustainable procurement and product range composition</b></p> <ul style="list-style-type: none"> <li>— Fair and socially equitable working conditions</li> <li>— Auditing producers</li> <li>— Establishing the deal breaker process</li> </ul> <p><b>Social responsibility</b></p> <ul style="list-style-type: none"> <li>— Active involvement in food banks</li> <li>— Efforts for refugees</li> <li>— Donations and sponsorship</li> </ul>                                               |
|                                                                                                                                  | <b>United Nations Global Compact</b> | <b>Human rights and working standards</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                  | <b>Media-Saturn</b>                  | <p><b>Sustainability approach</b><br/> <b>Responsible product range</b></p> <ul style="list-style-type: none"> <li>— High supplier management standards</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                                                                  | <b>Real</b>                          | <p><b>Sustainability approach</b><br/> <b>Field of action product selection</b></p> <ul style="list-style-type: none"> <li>— Compliance with social standards</li> <li>— Regional product range 'Gutes aus der Heimat'</li> <li>— Cocoa from certified and sustainable farms</li> </ul> <p><b>Field of action employees</b></p> <ul style="list-style-type: none"> <li>— Family care period</li> <li>— Hardship fund</li> </ul> <p><b>Field of action customers and society</b></p> <ul style="list-style-type: none"> <li>— UNICEF fundraising drive</li> <li>— Wish tree campaign for children</li> <li>— Long-term collaboration with the food banks</li> </ul> |
|                                                                                                                                  | <b>METRO Cash &amp; Carry</b>        | <p><b>Sustainability approach</b><br/> <b>Field of action assortment</b></p> <ul style="list-style-type: none"> <li>— Fair and socially equitable working conditions</li> <li>— Expansion of the sustainable product range</li> <li>— Fish from sustainable fishery</li> <li>— Sustainable palm oil</li> <li>— Sustainable wood and paper products</li> <li>— Fair-trade products</li> <li>— Regional products</li> </ul> <p><b>Field of action employees</b></p> <ul style="list-style-type: none"> <li>— Fair and safe labour conditions</li> </ul>                                                                                                              |

| SDG | Report Content                                                                                                                                                                                                  | GRI G4 Index |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|     | <p>Field of action corporate citizenship</p> <ul style="list-style-type: none"> <li>— International Care &amp; Share initiative</li> <li>— UN World Food Programme</li> <li>— Corporate volunteering</li> </ul> |              |

## Zero Hunger

| SDG                                                                                                                                                                                                        | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | GRI G4 Index |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|  <p>2 ZERO HUNGER</p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p> | <p><b>METRO GROUP</b></p> <p>Sustainability approach<br/>Sustainable operations</p> <ul style="list-style-type: none"> <li>— Avoiding food waste and loss</li> </ul> <p>Sustainable procurement and product range composition<br/>Sustainable consumption</p> <ul style="list-style-type: none"> <li>— Sustainable and transparent procurement</li> <li>— Sustainable product range</li> </ul> <p>Social responsibility</p> <ul style="list-style-type: none"> <li>— Active involvement in food banks</li> </ul> <p><b>Media-Saturn</b></p> <p>Sustainability approach<br/>Responsible product range</p> <p><b>Real</b></p> <p>Sustainability approach<br/>Field of action product selection</p> <ul style="list-style-type: none"> <li>— Product safety, quality and traceability</li> <li>— Regional product range 'Gutes aus der Heimat'</li> <li>— Expansion of the organic product selection</li> <li>— Products with reduced fat, sugar and sodium content</li> <li>— Engagement for the protection of animals</li> <li>— Vegan and vegetarian product range</li> <li>— Sustainable fish procurement</li> <li>— Cocoa from certified and sustainable farms</li> <li>— Sustainable palm oil</li> <li>— Products from permaculture</li> </ul> <p>Field of action customers and society</p> <ul style="list-style-type: none"> <li>— UNICEF fundraising drive</li> <li>— Long-term collaboration with the food banks</li> <li>— Customer information on a healthy lifestyle</li> </ul> <p><b>METRO Cash &amp; Carry</b></p> <p>Sustainability approach<br/>Field of action assortment</p> <ul style="list-style-type: none"> <li>— Product safety and quality</li> <li>— Traceability</li> <li>— International purchasing offices</li> <li>— Regional products</li> <li>— Expansion of the sustainable product range</li> <li>— Healthy eating</li> <li>— Fish from sustainable fishery</li> <li>— Sustainable palm oil</li> </ul> <p>Field of action corporate citizenship</p> <ul style="list-style-type: none"> <li>— International Care &amp; Share initiative</li> <li>— UN World Food Programme</li> </ul> | EC-1         |

## Good Health and Well-Being

| SDG                                                                                                                                                                                          | Report Content                       | GRI G4 Index                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p> | <b>METRO GROUP</b>                   | <a href="#">Sustainability approach</a><br><a href="#">Efforts on behalf of the employees</a> <ul style="list-style-type: none"><li>— Occupational safety and health management</li></ul>                                                                                                                                                                        | <a href="#">EN-15</a><br><a href="#">EN-16</a><br><a href="#">EN-17</a><br><a href="#">EN-22</a><br><a href="#">EN-23</a><br><a href="#">LA-6</a>                                                            |
|                                                                                                                                                                                              | <b>Annual Report</b>                 | <a href="#">Employees</a> <ul style="list-style-type: none"><li>— Occupational safety and health management</li></ul>                                                                                                                                                                                                                                            |                                                                                                                                                                                                              |
|                                                                                                                                                                                              |                                      | <a href="#">Social responsibility</a> <ul style="list-style-type: none"><li>— Active involvement in food banks</li><li>— Efforts for refugees</li><li>— Donations and sponsorship</li></ul>                                                                                                                                                                      |                                                                                                                                                                                                              |
|                                                                                                                                                                                              | <b>United Nations Global Compact</b> | <a href="#">Human rights and working standards</a>                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                              |
|                                                                                                                                                                                              | <b>Media-Saturn</b>                  | <a href="#">Sustainability approach</a><br><a href="#">Responsibility towards the environment, the climate and resources</a> <ul style="list-style-type: none"><li>— Recycled shopping bags</li><li>— Reducing paper consumption</li><li>— Reducing electronic scrap</li><li>— Cooperation with <a href="#">kaputt.de</a></li><li>— Reducing packaging</li></ul> |                                                                                                                                                                                                              |
|                                                                                                                                                                                              |                                      | <a href="#">Responsibility towards employees and society</a> <ul style="list-style-type: none"><li>— Health and sport services</li></ul>                                                                                                                                                                                                                         |                                                                                                                                                                                                              |
|                                                                                                                                                                                              | <b>Real</b>                          | <a href="#">Sustainability approach</a><br><a href="#">Field of action employees</a> <ul style="list-style-type: none"><li>— Occupational safety</li><li>— Family care period</li><li>— Hardship fund</li></ul>                                                                                                                                                  |                                                                                                                                                                                                              |
|                                                                                                                                                                                              |                                      | <a href="#">Field of action environment</a> <ul style="list-style-type: none"><li>— New climate protection target for 2030</li><li>— Responsible use of water</li></ul>                                                                                                                                                                                          |                                                                                                                                                                                                              |
|                                                                                                                                                                                              |                                      | <a href="#">Field of action customers and society</a> <ul style="list-style-type: none"><li>— UNICEF fundraising drive</li><li>— Long-term collaboration with the food banks</li><li>— Customer information on a healthy lifestyle</li></ul>                                                                                                                     |                                                                                                                                                                                                              |
|                                                                                                                                                                                              |                                      | <b>METRO Cash &amp; Carry</b>                                                                                                                                                                                                                                                                                                                                    | <a href="#">Sustainability approach</a><br><a href="#">Field of action operations</a> <ul style="list-style-type: none"><li>— New climate protection target for 2030</li><li>— Reducing food waste</li></ul> |
|                                                                                                                                                                                              |                                      | <a href="#">Field of action assortment</a> <ul style="list-style-type: none"><li>— Product safety and quality</li><li>— International purchasing offices</li><li>— Regional products</li><li>— Expansion of the sustainable product range</li><li>— Reducing packaging</li><li>— Healthy eating</li><li>— Supplier survey on water use</li></ul>                 |                                                                                                                                                                                                              |
|                                                                                                                                                                                              |                                      | <a href="#">Field of action employees</a> <ul style="list-style-type: none"><li>— Fair and safe labour conditions</li></ul>                                                                                                                                                                                                                                      |                                                                                                                                                                                                              |
|                                                                                                                                                                                              |                                      | <a href="#">Field of action corporate citizenship</a> <ul style="list-style-type: none"><li>— International Care &amp; Share initiative</li><li>— UN World Food Programme</li></ul>                                                                                                                                                                              |                                                                                                                                                                                                              |

| SDG | Report Content           | GRI G4 Index |
|-----|--------------------------|--------------|
|     | — Corporate volunteering |              |

## Quality Education

| SDG                                                                                                                                                                                            | Report Content                | GRI G4 Index                                                                                                                                                                                                                                                                                                                                                                      |      |
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|  <p>Ensure inclusive and equitable quality education and promote life-long learning opportunities for all</p> | <b>METRO GROUP</b>            | <p>Sustainability approach<br/>Efforts on behalf of the employees</p> <ul style="list-style-type: none"><li>— Promoting and embedding sustainability awareness</li></ul>                                                                                                                                                                                                          | LA-9 |
|                                                                                                                                                                                                | <b>Annual Report</b>          | <p>Employees</p> <ul style="list-style-type: none"><li>— Further training for employees</li></ul>                                                                                                                                                                                                                                                                                 |      |
|                                                                                                                                                                                                | <b>Media-Saturn</b>           | <p>Sustainability approach<br/>Responsibility towards employees and society</p> <ul style="list-style-type: none"><li>— Sustainability as vocational training and further education topic</li><li>— Information on sustainability for employees</li><li>— Target group-specific training programme</li></ul>                                                                      |      |
|                                                                                                                                                                                                | <b>Real</b>                   | <p>Sustainability approach<br/>Field of action employees</p> <ul style="list-style-type: none"><li>— E-learning programme on sustainability</li><li>— Sustainable projects of trainees</li></ul> <p>Field of action customers and society</p> <ul style="list-style-type: none"><li>— Customer information on a healthy lifestyle</li></ul>                                       |      |
|                                                                                                                                                                                                | <b>METRO Cash &amp; Carry</b> | <p>Sustainability approach<br/>Field of action assortment</p> <ul style="list-style-type: none"><li>— Customer information concerning sustainable products</li></ul> <p>Field of action employees</p> <ul style="list-style-type: none"><li>— METRO Sustainable Leadership Program</li><li>— Sustainability training</li><li>— Using the internal social network UNITED</li></ul> |      |

## Gender Equality

| SDG                                                                                                                                                | Report Content                       |                                                                                                                                             | GRI G4 Index                                                                                                                                    |
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|  <p>Achieve gender equality and empower all women and girls</p> | <b>METRO GROUP</b>                   | <a href="#">Sustainability approach</a><br><a href="#">Efforts on behalf of the employees</a><br>— <a href="#">Fair working conditions</a>  | <a href="#">EC-1</a><br><a href="#">LA-1</a><br><a href="#">LA-9</a><br><a href="#">LA-12</a><br><a href="#">LA-14</a><br><a href="#">LA-15</a> |
|                                                                                                                                                    | <b>Annual Report</b>                 | <a href="#">Employees</a><br>— <a href="#">Diversity management</a>                                                                         |                                                                                                                                                 |
|                                                                                                                                                    | <b>United Nations Global Compact</b> | <a href="#">Human rights and working standards</a>                                                                                          |                                                                                                                                                 |
|                                                                                                                                                    | <b>Real</b>                          | <a href="#">Sustainability approach</a><br><a href="#">Field of action employees</a><br>— <a href="#">Diversity and equal opportunities</a> |                                                                                                                                                 |
|                                                                                                                                                    |                                      |                                                                                                                                             |                                                                                                                                                 |

| SDG | Report Content                                                                                                                                                                                                                                                                                                         | GRI G4 Index |
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|     | <b>METRO Cash &amp; Carry</b> <p><a href="#">Sustainability approach</a><br/> <a href="#">Field of action employees</a></p> <ul style="list-style-type: none"> <li>— Diversity and inclusion</li> <li>— Employee network Women in Trade</li> <li>— Active partner of Leading Executives Advancing Diversity</li> </ul> |              |

## Clean Water and Sanitation

| SDG                                                                                                                                                                                                         | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | GRI G4 Index                                                           |
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|  <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p> | <b>Real</b> <p><a href="#">Sustainability approach</a><br/> <a href="#">Field of action product selection</a></p> <ul style="list-style-type: none"> <li>— Expansion of the organic product selection</li> <li>— Sustainable fish procurement</li> <li>— Sustainable wood and paper products</li> <li>— Products from permaculture</li> </ul> <p><a href="#">Field of action environment</a></p> <ul style="list-style-type: none"> <li>— Advertising brochures made of FSC®-certified paper</li> <li>— Responsible use of water</li> </ul> <p><b>METRO Cash &amp; Carry</b></p> <p><a href="#">Sustainability approach</a><br/> <a href="#">Field of action assortment</a></p> <ul style="list-style-type: none"> <li>— Supplier survey on water use</li> <li>— Expansion of the sustainable product range</li> <li>— Sustainable wood and paper products</li> <li>— Fish from sustainable fishery</li> <li>— Optimised packaging</li> </ul> | <a href="#">EN-8</a><br><a href="#">EN-22</a><br><a href="#">EN-23</a> |

## Affordable and Clean Energy

| SDG                                                                                                                                                                                                          | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | GRI G4 Index                                                                                 |
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|  <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> | <b>METRO GROUP</b> <p><a href="#">Sustainability approach</a><br/> <a href="#">Sustainable operations</a></p> <ul style="list-style-type: none"> <li>— METRO GROUP's climate protection target</li> <li>— Status of the climate protection target</li> <li>— Investments in energy efficiency and energy generation</li> </ul> <p><a href="#">Key performance indicators and targets</a></p> <ul style="list-style-type: none"> <li>— METRO GROUP's carbon footprint</li> </ul> <p><b>United Nations Global Compact</b></p> <p><a href="#">Environmental protection</a></p> <p><b>Media-Saturn</b></p> <p><a href="#">Sustainability approach</a><br/> <a href="#">Responsibility towards the environment, the climate and resources</a></p> <ul style="list-style-type: none"> <li>— Efficient energy use</li> </ul> <p><b>Real</b></p> <p><a href="#">Sustainability approach</a><br/> <a href="#">Field of action environment</a></p> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> </ul> | <a href="#">EC-1</a><br><a href="#">EN-3</a><br><a href="#">EN-5</a><br><a href="#">EN-6</a> |

| SDG | Report Content                                                                                                                                                                                                                                                                                                                | GRI G4 Index |
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|     | <b>METRO Cash &amp; Carry</b><br><b>Sustainability approach</b><br><b>Field of action operations</b> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Energy efficiency and energy conservation</li> <li>— Lowering greenhouse gas emissions by means of electromobility</li> </ul> |              |

## Decent Work and Economic Growth

| SDG                                                                                                                                                                                                           | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GRI G4 Index                                                                                                              |
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|  <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> | <b>METRO GROUP</b><br><b>Sustainability approach</b><br><b>Efforts on behalf of the employees</b> <ul style="list-style-type: none"> <li>— Fair working conditions</li> <li>— Occupational safety and health management</li> </ul> <b>Sustainable operations</b> <ul style="list-style-type: none"> <li>— Responsible resource management</li> <li>— Environmentally friendly packaging</li> </ul> <b>Sustainable procurement and product range composition</b> <ul style="list-style-type: none"> <li>— Fair and socially equitable working conditions</li> <li>— Fire prevention and occupational safety training</li> <li>— Auditing producers</li> <li>— Establishing the deal breaker process</li> </ul> <b>Sustainable consumption</b> <ul style="list-style-type: none"> <li>— Sustainable and transparent procurement</li> <li>— Sustainable product range</li> <li>— Reducing and avoiding waste</li> </ul> <b>Annual Report</b><br><b>Employees</b> <ul style="list-style-type: none"> <li>— Sustainable human resource policies</li> <li>— Recruiting employees</li> <li>— Remuneration models and succession planning</li> <li>— Further training for employees</li> <li>— Occupational safety and health management</li> <li>— Diversity management</li> <li>— Employer-employee relationships</li> </ul> <b>United Nations Global Compact</b><br><b>Human rights and working standards</b><br><b>Environmental protection</b> | G4-10<br>G4-11<br>EC-1<br>EN-3<br>EN-5<br>EN-6<br>HR-5<br>HR-6<br>LA-1<br>LA-5<br>LA-6<br>LA-9<br>LA-12<br>LA-14<br>LA-15 |
|                                                                                                                                                                                                               | <b>Media-Saturn</b><br><b>Sustainability approach</b><br><b>Responsible product range</b> <ul style="list-style-type: none"> <li>— High supplier management standards</li> </ul> <b>Responsibility towards the environment, the climate and resources</b> <ul style="list-style-type: none"> <li>— Efficient energy use</li> </ul> <b>Responsibility towards employees and society</b> <ul style="list-style-type: none"> <li>— Sustainability as vocational training and further education topic</li> <li>— Information on sustainability for employees</li> <li>— Target group-specific training programme</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                           |
|                                                                                                                                                                                                               | <b>Real</b><br><b>Sustainability approach</b><br><b>Field of action product selection</b> <ul style="list-style-type: none"> <li>— Product safety, quality and traceability</li> <li>— Compliance with social standards</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                           |

| SDG | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | GRI G4 Index |
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|     | <p><b>METRO Cash &amp; Carry</b></p> <p><b>Field of action employees</b></p> <ul style="list-style-type: none"> <li>— Diversity and equal opportunities</li> <li>— Occupational safety</li> <li>— Family care period</li> <li>— Hardship fund</li> </ul> <p><b>Field of action environment</b></p> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Advertising brochures made of FSC®-certified paper</li> <li>— Responsible use of water</li> </ul> <p><b>Sustainability approach</b></p> <p><b>Field of action operations</b></p> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Reducing food waste</li> </ul> <p><b>Field of action assortment</b></p> <ul style="list-style-type: none"> <li>— Complying with social standards</li> <li>— Product safety and quality</li> <li>— Traceability</li> <li>— Fair and socially equitable working conditions</li> <li>— Fish from sustainable fishery</li> <li>— Sustainable palm oil</li> <li>— Sustainable wood and paper products</li> <li>— Fair-trade products</li> <li>— Regional products</li> </ul> <p><b>Field of action employees</b></p> <ul style="list-style-type: none"> <li>— Fair and safe labour conditions</li> <li>— Training and continuing professional development</li> <li>— Diversity and inclusion</li> </ul> <p><b>Field of action corporate citizenship</b></p> <ul style="list-style-type: none"> <li>— International Care &amp; Share initiative</li> <li>— UN World Food Programme</li> <li>— Corporate volunteering</li> </ul> |              |

## Industry, Innovation and Infrastructure

| SDG                                                                                                                                                                                                  | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | GRI G4 Index |
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|  <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> | <p><b>METRO GROUP</b></p> <p><b>Sustainability approach</b></p> <p><b>Sustainable operations</b></p> <ul style="list-style-type: none"> <li>— Investments in energy efficiency and energy generation</li> </ul> <p><b>Sustainable consumption</b></p> <ul style="list-style-type: none"> <li>— Sustainable and transparent procurement</li> </ul> <p><b>Annual Report</b></p> <p><b>Media-Saturn</b></p> <p><b>Sustainability approach</b></p> <p><b>Responsibility towards the environment, the climate and resources</b></p> <ul style="list-style-type: none"> <li>— Cooperation with <a href="http://kaputt.de">kaputt.de</a></li> </ul> <p><b>Real</b></p> <p><b>Sustainability approach</b></p> <p><b>Field of action product selection</b></p> <ul style="list-style-type: none"> <li>— Product safety, quality and traceability</li> </ul> <p><b>Field of action environment</b></p> | EC-1         |

| SDG | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | GRI G4 Index |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|     | <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                   |              |
|     | <b>METRO Cash &amp; Carry</b> <ul style="list-style-type: none"> <li>Sustainability approach</li> <li>Field of action operations                             <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Reducing food waste</li> </ul> </li> <li>Field of action assortment                             <ul style="list-style-type: none"> <li>— Product safety and quality</li> <li>— Traceability</li> <li>— Infarm</li> </ul> </li> </ul> |              |

## Reduced Inequalities

| SDG                                                                                                                                                                   | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | GRI G4 Index |
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|  <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p> | <b>METRO GROUP</b> <ul style="list-style-type: none"> <li>Sustainability approach</li> <li>Efforts on behalf of the employees                             <ul style="list-style-type: none"> <li>— Fair working conditions</li> </ul> </li> <li>Sustainable procurement and product range composition                             <ul style="list-style-type: none"> <li>— Fair and socially equitable working conditions</li> <li>— Fire prevention and occupational safety training</li> <li>— Auditing producers</li> <li>— Establishing the deal breaker process</li> </ul> </li> <li>Social responsibility                             <ul style="list-style-type: none"> <li>— Efforts for refugees</li> <li>— Donations and sponsorship</li> </ul> </li> </ul><br><b>Annual Report</b> <ul style="list-style-type: none"> <li>Employees                             <ul style="list-style-type: none"> <li>— Diversity management</li> </ul> </li> </ul><br><b>United Nations Global Compact</b> <ul style="list-style-type: none"> <li>Human rights and working standards</li> </ul><br><b>Media-Saturn</b> <ul style="list-style-type: none"> <li>Sustainability approach</li> <li>Responsible product range                             <ul style="list-style-type: none"> <li>— High supplier management standards</li> </ul> </li> </ul><br><b>Real</b> <ul style="list-style-type: none"> <li>Sustainability approach</li> <li>Field of action product selection                             <ul style="list-style-type: none"> <li>— Compliance with social standards</li> <li>— Regional product range 'Gutes aus der Heimat'</li> <li>— Cocoa from certified and sustainable farms</li> </ul> </li> <li>Field of action employees                             <ul style="list-style-type: none"> <li>— Diversity and equal opportunities</li> </ul> </li> <li>Field of action customers and society                             <ul style="list-style-type: none"> <li>— UNICEF fundraising drive</li> </ul> </li> </ul><br><b>METRO Cash &amp; Carry</b> <ul style="list-style-type: none"> <li>Sustainability approach</li> <li>Field of action assortment                             <ul style="list-style-type: none"> <li>— Complying with social standards</li> <li>— Fair-trade products</li> <li>— Regional products</li> <li>— Expansion of the sustainable product range</li> </ul> </li> </ul> |              |

| SDG                                                                                 | Report Content                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | GRI G4 Index                                                                       |
|-------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|                                                                                     |                                      | Field of action employees <ul style="list-style-type: none"><li>— Diversity and inclusion</li><li>— Employee network Women in Trade</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                    |
| Sustainable Cities and Communities                                                  |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                    |
| SDG                                                                                 | Report Content                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | GRI G4 Index                                                                       |
|    | <b>METRO GROUP</b>                   | Sustainability approach<br>Social responsibility <ul style="list-style-type: none"><li>— Active involvement in food banks</li><li>— Efforts for refugees</li><li>— Donations and sponsorship</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                               | EN-30                                                                              |
|                                                                                     | <b>METRO Cash &amp; Carry</b>        | Sustainability approach<br>Field of action corporate citizenship <ul style="list-style-type: none"><li>— International Care &amp; Share initiative</li><li>— UN World Food Programme</li><li>— Corporate volunteering</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                    |
| Make cities and human settlements inclusive, safe, resilient and sustainable        |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                    |
| Responsible Consumption and Production                                              |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                    |
| SDG                                                                                 | Report Content                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | GRI G4 Index                                                                       |
|  | <b>METRO GROUP</b>                   | Sustainability approach<br>Sustainable operations <ul style="list-style-type: none"><li>— METRO GROUP's climate protection target</li><li>— Status of the climate protection target</li><li>— Investments in energy efficiency and energy generation</li><li>— Responsible resource management</li><li>— Environmentally friendly packaging</li><li>— Avoiding food waste and loss</li></ul><br>Sustainable procurement and product range composition<br>Sustainable consumption <ul style="list-style-type: none"><li>— Sustainable and transparent procurement</li><li>— Sustainable product range</li><li>— Reducing and avoiding waste</li></ul> | EC-9<br>EN-3<br>EN-5<br>EN-6<br>EN-15<br>EN-16<br>EN-17<br>EN-22<br>EN-23<br>EN-30 |
|                                                                                     | <b>United Nations Global Compact</b> | Environmental protection                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                    |
|                                                                                     | <b>Media-Saturn</b>                  | Sustainability approach<br>Responsible product range <ul style="list-style-type: none"><li>— High supplier management standards</li><li>— Customer information concerning sustainable products</li><li>— Establishing a customer guidance system</li></ul><br>Responsibility towards the environment, the climate and resources <ul style="list-style-type: none"><li>— Recycled shopping bags</li><li>— Reducing paper consumption</li><li>— Reducing electronic scrap</li></ul>                                                                                                                                                                    |                                                                                    |
| Ensure sustainable consumption and production patterns                              |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                    |

| SDG | Report Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | GRI G4 Index |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|     | <ul style="list-style-type: none"> <li>— Cooperation with <a href="#">kaputt.de</a></li> <li>— Efficient energy use</li> <li>— Reducing packaging</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |
|     | <p><b>Real</b></p> <p><a href="#">Sustainability approach</a><br/> <a href="#">Field of action product selection</a></p> <ul style="list-style-type: none"> <li>— Product safety, quality and traceability</li> <li>— Compliance with social standards</li> <li>— Umbrella brand 'Responsible business practices'</li> <li>— Regional product range 'Gutes aus der Heimat'</li> <li>— Expansion of the organic product selection</li> <li>— Products with reduced fat, sugar and sodium content</li> <li>— Engagement for the protection of animals</li> <li>— Vegan and vegetarian product range</li> <li>— Sustainable fish procurement</li> <li>— Cocoa from certified and sustainable farms</li> <li>— Sustainable palm oil</li> <li>— Sustainable wood and paper products</li> <li>— Products from permaculture</li> </ul> <p><a href="#">Field of action environment</a></p> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Advertising brochures made of FSC®-certified paper</li> <li>— Responsible use of water</li> </ul> <p><a href="#">Field of action customers and society</a></p> <ul style="list-style-type: none"> <li>— Customer information on a healthy lifestyle</li> </ul> |              |
|     | <p><b>METRO<br/>Cash &amp; Carry</b></p> <p><a href="#">Sustainability approach</a><br/> <a href="#">Field of action operations</a></p> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Reducing food waste</li> </ul> <p><a href="#">Field of action assortment</a></p> <ul style="list-style-type: none"> <li>— Complying with social standards</li> <li>— Product safety and quality</li> <li>— Traceability</li> <li>— International purchasing offices</li> <li>— Regional products</li> <li>— Expansion of the sustainable product range</li> <li>— Healthy eating</li> <li>— Sustainable wood and paper products</li> <li>— Fish from sustainable fishery</li> <li>— Sustainable palm oil</li> <li>— Supplier survey on water use</li> <li>— Customer information concerning healthy eating</li> </ul> <p><a href="#">Field of action employees</a></p> <ul style="list-style-type: none"> <li>— Promoting employee involvement and knowledge</li> </ul>                                                                                                                                                                                                                                   |              |

## Climate Action

| SDG                                                                                                                                                   | Report Content                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | GRI G4 Index                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|  <p>Take urgent action to combat climate change and its impacts*</p> | <b>METRO GROUP</b>                   | <b>Sustainability approach</b><br><b>Sustainable operations</b> <ul style="list-style-type: none"> <li>— METRO GROUP's climate protection target</li> <li>— Status of the climate protection target</li> <li>— Investments in energy efficiency and energy generation</li> <li>— Responsible resource management</li> </ul> <b>Key performance indicators and targets</b> <ul style="list-style-type: none"> <li>— METRO GROUP's climate protection target</li> </ul>                                                             | EC-2<br>EN-3<br>EN-5<br>EN-6<br>EN-15<br>EN-16<br>EN-17<br>EN-18<br>EN-19<br>EN-30 |
|                                                                                                                                                       | <b>United Nations Global Compact</b> | <b>Environmental protection</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                    |
|                                                                                                                                                       | <b>Media-Saturn</b>                  | <b>Sustainability approach</b><br><b>Responsibility towards the environment, the climate and resources</b> <ul style="list-style-type: none"> <li>— Recycled shopping bags</li> <li>— Reducing paper consumption</li> <li>— Reducing electronic scrap</li> <li>— Cooperation with <a href="http://kaputt.de">kaputt.de</a></li> <li>— Efficient energy use</li> <li>— Reducing packaging</li> </ul>                                                                                                                               |                                                                                    |
|                                                                                                                                                       | <b>Real</b>                          | <b>Sustainability approach</b><br><b>Field of action product selection</b> <ul style="list-style-type: none"> <li>— Traceability</li> <li>— Cocoa from certified and sustainable farms</li> <li>— Sustainable palm oil</li> <li>— Sustainable wood and paper products</li> <li>— Products from permaculture</li> </ul> <b>Field of action environment</b> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Advertising brochures made of FSC®-certified paper</li> </ul>                |                                                                                    |
|                                                                                                                                                       | <b>METRO Cash &amp; Carry</b>        | <b>Sustainability approach</b><br><b>Field of action operations</b> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Reducing food waste</li> <li>— Lowering greenhouse gas emissions by means of electromobility</li> </ul> <b>Field of action assortment</b> <ul style="list-style-type: none"> <li>— Traceability</li> <li>— Sustainable wood and paper products</li> <li>— Sustainable palm oil</li> <li>— International purchasing offices</li> <li>— Regional products</li> </ul> |                                                                                    |

\* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

## Life below Water

| SDG                                                                                                                                                                                     | Report Content                       |                                                                                                                                                                                                                                                                                                           | GRI G4 Index                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|  <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> | <b>METRO GROUP</b>                   | Sustainability approach<br>Sustainable procurement and product range composition<br>Sustainable consumption<br>— Sustainable and transparent procurement                                                                                                                                                  | EN-15<br>EN-16<br>EN-17<br>EN-18<br>EN-19 |
|                                                                                                                                                                                         | <b>United Nations Global Compact</b> | Environmental protection                                                                                                                                                                                                                                                                                  | EN-22                                     |
|                                                                                                                                                                                         | <b>Real</b>                          | Sustainability approach<br>Field of action product selection<br>— Product safety, quality and traceability<br>— Sustainable fish procurement<br>— Products from permaculture                                                                                                                              |                                           |
|                                                                                                                                                                                         | <b>METRO Cash &amp; Carry</b>        | Field of action environment<br>— Responsible use of water<br><br>Sustainability approach<br>Field of action assortment<br>— Product safety and quality<br>— Traceability<br>— International trading offices<br>— Fish from sustainable fishery<br>— Supplier survey on water use<br>— Optimised packaging |                                           |

## Life on Land

| SDG                                                                                                                                                                                                                                                                                     | Report Content                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | GRI G4 Index                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|  <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> | <b>METRO GROUP</b>                   | Sustainability approach<br>Sustainable procurement and product range composition<br>Sustainable consumption<br>— Sustainable and transparent procurement                                                                                                                                                                                                                                                                                                                                                         | EN-15<br>EN-16<br>EN-17<br>EN-18<br>EN-19 |
|                                                                                                                                                                                                                                                                                         | <b>United Nations Global Compact</b> | Environmental protection                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                           |
|                                                                                                                                                                                                                                                                                         | <b>Media-Saturn</b>                  | Sustainability approach<br>Responsibility towards the environment, the climate and resources<br>— Reducing paper consumption                                                                                                                                                                                                                                                                                                                                                                                     |                                           |
|                                                                                                                                                                                                                                                                                         | <b>Real</b>                          | Sustainability approach<br>Field of action product selection<br>— Product safety, quality and traceability<br>— Umbrella brand 'Responsible business practices'<br>— Regional product range 'Gutes aus der Heimat'<br>— Expansion of the organic product selection<br>— Cocoa from certified and sustainable farms<br>— Sustainable palm oil<br>— Sustainable wood and paper products<br>— Products from permaculture<br><br>Field of action environment<br>— Advertising brochures made of FSC®-certified paper |                                           |

| SDG                                                                                                                                                                                                                                                                         | Report Content                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GRI G4 Index                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                             | <b>METRO Cash &amp; Carry</b>        | <p><b>Sustainability approach</b><br/> <b>Field of action operations</b></p> <ul style="list-style-type: none"> <li>— New climate protection target for 2030</li> <li>— Reducing food waste</li> </ul> <p><b>Field of action assortment</b></p> <ul style="list-style-type: none"> <li>— Product safety and quality</li> <li>— Traceability</li> <li>— International purchasing offices</li> <li>— Regional products</li> <li>— Expansion of the sustainable product range</li> <li>— Sustainable wood and paper products</li> <li>— Sustainable palm oil</li> <li>— Supplier survey on water use</li> </ul> |                                                                                       |
| Peace, Justice and Strong Institutions                                                                                                                                                                                                                                      |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                       |
| SDG                                                                                                                                                                                                                                                                         | Report Content                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GRI G4 Index                                                                          |
|  <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> | <b>METRO GROUP</b>                   | <p><b>Sustainability approach</b><br/> <b>Efforts on behalf of the employees</b></p> <ul style="list-style-type: none"> <li>— Fair working conditions</li> </ul> <p><b>Sustainable procurement and product range composition</b></p> <ul style="list-style-type: none"> <li>— Fair and socially equitable working conditions</li> <li>— Auditing producers</li> <li>— Establishing the deal breaker process</li> </ul> <p><b>Social responsibility</b></p> <ul style="list-style-type: none"> <li>— Efforts for refugees</li> </ul>                                                                          | <p>G4-56<br/> LA-14<br/> LA-15<br/> LA-16<br/> HR-5<br/> SO-3<br/> SO-4<br/> SO-7</p> |
|                                                                                                                                                                                                                                                                             | <b>Annual Report</b>                 | <p><b>Characteristics of the accounting-related internal control and risk management system and explanatory report of the Management Board</b><br/> <b>Risk and opportunity report</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                       |
|                                                                                                                                                                                                                                                                             | <b>United Nations Global Compact</b> | <p><b>Human rights and working standards</b><br/> <b>Anti-corruption measures</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                       |
|                                                                                                                                                                                                                                                                             | <b>Media-Saturn</b>                  | <p><b>Sustainability approach</b><br/> <b>Responsible product range</b></p> <ul style="list-style-type: none"> <li>— High supplier management standards</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                       |
|                                                                                                                                                                                                                                                                             | <b>Real</b>                          | <p><b>Sustainability approach</b><br/> <b>Field of action product selection</b></p> <ul style="list-style-type: none"> <li>— Compliance with social standards</li> </ul> <p><b>Field of action employees</b></p> <ul style="list-style-type: none"> <li>— Diversity and equal opportunities</li> </ul>                                                                                                                                                                                                                                                                                                       |                                                                                       |
|                                                                                                                                                                                                                                                                             | <b>METRO Cash &amp; Carry</b>        | <p><b>Sustainability approach</b><br/> <b>Field of action assortment</b></p> <ul style="list-style-type: none"> <li>— Complying with social standards</li> </ul> <p><b>Field of action employees</b></p> <ul style="list-style-type: none"> <li>— Fair and safe labour conditions</li> <li>— Diversity and inclusion</li> </ul>                                                                                                                                                                                                                                                                              |                                                                                       |

## Partnerships for the Goals

| SDG                                                                                                                                                                                               | Report Content                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | GRI G4 Index |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|  <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p> | <b>METRO GROUP</b>            | Sustainability approach <ul style="list-style-type: none"> <li>— Embedding sustainability</li> <li>— Stakeholder relations</li> <li>— 2016 materiality analysis</li> <li>— Social responsibility</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |
|                                                                                                                                                                                                   | <b>Media-Saturn</b>           | Sustainability approach<br>Responsibility towards the environment, the climate and resources <ul style="list-style-type: none"> <li>— Cooperation with <a href="http://kaputt.de">kaputt.de</a></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |
|                                                                                                                                                                                                   | <b>Real</b>                   | Sustainability approach<br>Field of action product selection <ul style="list-style-type: none"> <li>— Regional product range 'Gutes aus der Heimat'</li> <li>— Engagement for the protection of animals</li> <li>— Vegan and vegetarian product range</li> <li>— Sustainable fish procurement</li> <li>— Cocoa from certified and sustainable farms</li> <li>— Sustainable palm oil</li> <li>— Sustainable wood and paper products</li> <li>— Products from permaculture</li> </ul> Field of action customers and society <ul style="list-style-type: none"> <li>— UNICEF fundraising drive</li> <li>— Long-term collaboration with the food banks</li> </ul>                                                                  |              |
|                                                                                                                                                                                                   | <b>METRO Cash &amp; Carry</b> | Sustainability approach<br>Field of action operations <ul style="list-style-type: none"> <li>— REAP (Retailers' Environmental Action Programme)</li> </ul> Field of action assortment <ul style="list-style-type: none"> <li>— Traceability</li> <li>— International purchasing offices</li> <li>— Regional products</li> <li>— Fish from sustainable fishery</li> <li>— Sustainable wood and paper products</li> <li>— Sustainable palm oil</li> <li>— Supplier survey on water use</li> <li>— GSSI (Global Sustainable Seafood Initiative)</li> </ul> Field of action corporate citizenship <ul style="list-style-type: none"> <li>— International Care &amp; Share initiative</li> <li>— UN World Food Programme</li> </ul> |              |

# GRI AND UN GLOBAL COMPACT

## GRI G4 Content Index

KPMG AG Wirtschaftsprüfungsgesellschaft has provided limited assurance. You can find the Independent Assurance Report in the [Assurance Report](#)



### Strategy and Analysis

| G4 Indicators         | Links within this report                           | External links                              | Comments               |
|-----------------------|----------------------------------------------------|---------------------------------------------|------------------------|
| Strategy and Analysis |                                                    |                                             |                        |
| G4-1                  | Statement from the Chairman of the Executive Board |                                             | Annual Report 2015/16: |
|                       | Letter from the Management Board                   | Letter to the shareholders                  |                        |
|                       | Global challenges                                  | Review                                      |                        |
|                       | METRO GROUP sustainability approach                | Goals and strategy                          |                        |
|                       | 2016 materiality analysis                          | Macroeconomic and sectorspecific parameters |                        |
|                       | Areas of responsibility                            | Events after the closing date and outlook   |                        |
|                       | Goals                                              | Risk and opportunity report                 |                        |

### Organizational Profile

| G4 Indicators          | Links within this report | External links | Comments |
|------------------------|--------------------------|----------------|----------|
| Organizational Profile |                          |                |          |
| G4-3                   | Name of the organization |                |          |
|                        | Imprint                  |                |          |

| G4 Indicators |                                                                     | Links within this report                                                                                 | External links                                               | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-4          | Primary brands, products, and services                              |  <a href="#">KPMG</a>   | Annual Report 2015/16:                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Business model</a>                                                                           | <a href="#">Group business model</a>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-5          | Location of the organization's headquarters                         |  <a href="#">KPMG</a>   |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Imprint</a>                                                                                  |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-6          | Countries with significant operations                               |  <a href="#">KPMG</a>   | Annual Report 2015/16:                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Sustainability approach Metro Cash &amp; Carry</a>                                           | <a href="#">Consolidation group</a>                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Sustainability approach Real</a>                                                             | <a href="#">57. Affiliated companies of METRO AG</a>         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Employees</a>                                                                                |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-7          | Nature of ownership and legal form                                  |  <a href="#">KPMG</a>   | Annual Report 2015/16:                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Imprint</a>                                                                                  | <a href="#">Shareholder structure</a>                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     |                                                                                                          | <a href="#">Notes pursuant to the German Commercial Code</a> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-8          | Markets served                                                      |  <a href="#">KPMG</a>   | Annual Report 2015/16:                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Business model</a>                                                                           | <a href="#">Group business model</a>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Sustainability approach Metro Cash &amp; Carry</a>                                           |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Sustainability approach Real</a>                                                             |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-9          | Scale of the organization                                           |  <a href="#">KPMG</a> | Annual Report 2015/16:                                       | The METRO GROUP sales lines stock the products of renowned manufacturers and own-brand products that combine high quality with attractive prices. In Germany, for example, the entire product range comprises approximately 190,000 items at Real and approximately 135,000 at METRO Cash & Carry, as well as some 270,000 items online at Media Markt and 200,000 items online at Saturn.                                                                                                                                     |
|               |                                                                     | <a href="#">Sustainability approach Metro Cash &amp; Carry</a>                                           | <a href="#">Group business model</a>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Sustainability approach Real</a>                                                             | <a href="#">Capital structure</a>                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Employees</a>                                                                                |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Company</a>                                                                                  |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-10         | Employees by employment type, gender and region                     |  <a href="#">KPMG</a> |                                                              | With legislation varying across the various countries in which METRO GROUP operates, information regarding the proportion of temporary employment contracts has no informative value.<br>As the percentage of people who are neither employees nor subject to the line authority of the company (including employees of contracting parties and individuals subject to their line authority) is insignificant, this figure is not reported.<br>Our employee headcount is not subject to any significant seasonal fluctuations. |
|               |                                                                     | <a href="#">Employees</a>                                                                                |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Part-time rate (in %)</a>                                                                    |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-11         | Percentage of employees covered by collective bargaining agreements |  <a href="#">KPMG</a> |                                                              | The percentage of employees represented by an independent trade union or whose interests are covered by collective bargaining agreements is approximately 70 per cent.                                                                                                                                                                                                                                                                                                                                                         |
| G4-12         | Description of the supply chain                                     |  <a href="#">KPMG</a> | <a href="#">Procurement Policy for sustainable sourcing</a>  | As a company in the retail and wholesale business, our supply chain can be represented as follows in simplified terms: manufacturers, growers and producers of food and non-food items; transport, storage and distribution; stores; consumers.                                                                                                                                                                                                                                                                                |
|               |                                                                     | <a href="#">Business model</a>                                                                           |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| G4 Indicators |                                                               | Links within this report                                                                                                                                                                                                                                                                                | External links                                               | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                               | <a href="#">Sustainable procurement and assortment</a>                                                                                                                                                                                                                                                  |                                                              | Information regarding our management approaches within the supply chain can be found in the section <a href="#">Sustainable procurement and assortment</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| G4-13         | Significant changes during the reporting period               |  <b>KPMG</b>                                                                                                                                                                                                           | Annual Report 2015/16:<br><a href="#">The year in review</a> | With regard to our purchasing processes, we take care to ensure that we are not dependent on our suppliers. There have therefore not been any significant changes in our supplier structure. As a result, we do not report on changes in the location of suppliers, the structure of the supply chain or relationships with suppliers (including their selection and the termination of such relationships). METRO GROUP's internal structures have likewise remained essentially unchanged. The <a href="#">The year in review</a> section of the annual report gives details of any changes. |
| G4-14         | Implementation of the precautionary principle                 |  <b>KPMG</b><br><br><a href="#">Sustainability approach</a><br><br><a href="#">Sustainable operations</a><br><br><a href="#">Sustainable procurement and assortment</a><br><br><a href="#">Sustainable consumption</a> | <a href="#">Environment guidelines</a>                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-15         | External initiatives that the organization endorses           |                                                                                                                                                                                                                                                                                                         | <a href="#">Our commitments</a>                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| G4-16         | Significant memberships in industry and business associations |                                                                                                                                                                                                                                                                                                         | <a href="#">Organisations</a>                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## Identified Material Aspects and Boundaries

| G4 Indicators                                     |                                                            | Links within this report                                                                                                                                                                      | External links                                                                                                                | Comments                                                                                                                                                                                                                           |
|---------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identified Material Aspects and Boundaries</b> |                                                            |                                                                                                                                                                                               |                                                                                                                               |                                                                                                                                                                                                                                    |
| G4-17                                             | Entities included in the consolidated financial statements |  <b>KPMG</b><br><br><a href="#">Business model</a>                                                         | Annual Report 2015/16:<br><br><a href="#">Consolidation group</a><br><br><a href="#">57. Affiliated companies of METRO AG</a> | The METRO GROUP Corporate Responsibility Report 2015/16 covers all the key operational units, including the sales lines, service companies and back offices. The respective scope of application is also noted for the indicators. |
| G4-18                                             | Process for defining the report content                    |  <b>KPMG</b><br><br><a href="#">Stakeholder relations</a><br><br><a href="#">2016 materiality analysis</a> |                                                                                                                               |                                                                                                                                                                                                                                    |
| G4-19                                             | Material Aspects identified                                |  <b>KPMG</b><br><br><a href="#">2016 materiality analysis</a>                                              |                                                                                                                               |                                                                                                                                                                                                                                    |
| G4-20                                             | Aspect Boundaries within the organization                  |  <b>KPMG</b><br><br><a href="#">2016 materiality analysis</a>                                              |                                                                                                                               |                                                                                                                                                                                                                                    |
| G4-21                                             | Aspect Boundaries outside the organization                 |  <b>KPMG</b>                                                                                               |                                                                                                                               |                                                                                                                                                                                                                                    |

| G4 Indicators |                                                          | Links within this report                                                               | External links                                                | Comments                                                                                                                                                                      |
|---------------|----------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                          | <a href="#">2016 materiality analysis</a>                                              |                                                               |                                                                                                                                                                               |
| G4-22         | Restatements of information provided in previous reports |  KPMG |                                                               | In the event of restatements of information compared with earlier reports, these are explained by means of footnotes in the relevant places.                                  |
| G4-23         | Significant changes in the Scope and Aspect Boundaries   |  KPMG | Annual Report 2015/16:<br><a href="#">Consolidation group</a> | Should there be any important changes to the scope of the report and the delineation of individual aspects, these are explained by means of footnotes in the relevant places. |

## Stakeholder Engagement

| G4 Indicators                 |                                                                            | Links within this report                                                                 | External links | Comments |
|-------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------|----------|
| <b>Stakeholder Engagement</b> |                                                                            |                                                                                          |                |          |
| G4-24                         | Stakeholder groups engaged                                                 |  KPMG   |                |          |
|                               |                                                                            | <a href="#">Stakeholder relations</a>                                                    |                |          |
| G4-25                         | Identification and selection of stakeholders                               |  KPMG   |                |          |
|                               |                                                                            | <a href="#">Stakeholder relations</a>                                                    |                |          |
| G4-26                         | Approach to stakeholder engagement and frequency                           |  KPMG |                |          |
|                               |                                                                            | <a href="#">Stakeholder relations</a>                                                    |                |          |
| G4-27                         | Key topics and concerns raised through stakeholder engagement and response |  KPMG |                |          |
|                               |                                                                            | <a href="#">Stakeholder relations</a>                                                    |                |          |

## Report Profile

|       |                                                          |                                                                                          |  |                                                                                                                                                                                                                       |
|-------|----------------------------------------------------------|------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-28 | Reporting period                                         |  KPMG |  |                                                                                                                                                                                                                       |
|       |                                                          | <a href="#">Report Profile</a>                                                           |  |                                                                                                                                                                                                                       |
| G4-29 | Date of most recent previous report                      |  KPMG |  |                                                                                                                                                                                                                       |
|       |                                                          | <a href="#">Report Profile</a>                                                           |  |                                                                                                                                                                                                                       |
| G4-30 | Reporting cycle                                          |  KPMG |  |                                                                                                                                                                                                                       |
|       |                                                          | <a href="#">Report Profile</a>                                                           |  |                                                                                                                                                                                                                       |
| G4-31 | Contact point for questions regarding the report         |  KPMG |  |                                                                                                                                                                                                                       |
|       |                                                          | <a href="#">Imprint</a>                                                                  |  |                                                                                                                                                                                                                       |
| G4-32 | "In accordance" option with GRI and Content Index chosen |  KPMG |  |                                                                                                                                                                                                                       |
|       |                                                          | <a href="#">Report Profile</a>                                                           |  |                                                                                                                                                                                                                       |
| G4-33 | External verification of the report                      |  KPMG |  | The scope of the independent external assurance engagement according to ISAE 3000 and ISAE 3410 by KPMG AG Wirtschaftsprüfungsgesellschaft is described in the independent assurance report, which can be found under |
|       |                                                          | <a href="#">Report Profile</a>                                                           |  |                                                                                                                                                                                                                       |

| G4 Indicators | Links within this report         | External links | Comments                                                                                                                                                                                                                             |
|---------------|----------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | <a href="#">Assurance Report</a> |                | <a href="#">Assurance Report</a> . It was not part of the engagement to review product and service related information, references to external websites and information sources, as well as future-related statements in the Report. |

## Governance

|       |                                                                       |                                                                                                                                |                                                                                                                                                                                                               |
|-------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-34 | Governance structure, incl. committees of the highest governance body | <br><a href="#">Sustainability management</a> | Annual Report 2015/16:<br><a href="#">The Management Board</a><br><a href="#">Report of the Supervisory Board</a><br><a href="#">Corporate Governance Report</a><br><a href="#">Sustainability management</a> |
|-------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Ethics and Integrity

| G4 Indicators               | Links within this report                                            | External links                                                                                                                                                                                                                                                                                   | Comments                                                                                                 |
|-----------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>Ethics and Integrity</b> |                                                                     |                                                                                                                                                                                                                                                                                                  |                                                                                                          |
| G4-56                       | Organisation's values, principles, standards and norms of behaviour | <br><a href="#">Sustainability approach</a><br><a href="#">Fair working conditions</a><br><a href="#">Occupational health and safety management</a><br><a href="#">Sustainable procurement and assortment</a> | <a href="#">Our commitments</a><br>Annual Report 2015/16:<br><a href="#">Corporate Governance Report</a> |

## Economic Performance

| G4 Indicators               | Links within this report                      | External links                                                                                                                                      | Comments                                                                                                                                      |
|-----------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic Performance</b> |                                               |                                                                                                                                                     |                                                                                                                                               |
| Management approach         |                                               | Annual Report 2015/16:<br><a href="#">Goals and strategy</a>                                                                                        |                                                                                                                                               |
| <b>Economy</b>              |                                               |                                                                                                                                                     |                                                                                                                                               |
| G4-EC1                      | Direct economic value created and distributed | <br><a href="#">Company</a><br><a href="#">Social engagement</a> | Annual Report 2015/16:<br><a href="#">Cash flow statement</a><br><a href="#">37. Financial liabilities</a><br><a href="#">18. Other taxes</a> |

For competition law reasons, we do not report in detail on the economic value generated and distributed separately for the national, regional or store levels.

| G4 Indicators |                                                                                | Links within this report                                                                                              | External links                                                                                                                                                                                                                                                                                                                                                                       | Comments                                                                                                                                                                                                                                                                                                        |
|---------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-EC2        | Financial implications and other risks and opportunities due to climate change | <br><a href="#">Carbon footprint</a> | Annual Report 2015/16:<br><a href="#">Presentation of the risk situation</a>                                                                                                                                                                                                                                                                                                         | Since 2006, we have been publishing information on the risks and opportunities resulting from climate change with our participation in the <a href="#">CDP climate change survey</a> . Based on this, we were once again named Sector Leader in Consumer Staples, and Index Leader on the German MDAX, in 2016. |
| G4-EC3        | Coverage of benefit plan obligations                                           |                                                                                                                       | Disclosures on G4-EC3 a-e can be found on the following pages:<br><br>Annual Report 2015/16:<br><a href="#">Development of staff numbers</a><br><br><a href="#">Development of personnel expenses</a><br><br><a href="#">Capital structure</a><br><br><a href="#">Balance sheet</a><br><br><a href="#">33. Provisions for post-employment benefits plans and similar obligations</a> | Due to the different pension systems, it is not possible to separate the pension contributions of employers and employees. Figures for participation in a voluntary, group-wide future package in Germany can be found in the section on the <a href="#">development of personnel expenses</a> .                |

#### Procurement Practices

|        |                                           |  |  |                                                                                                                                                                  |
|--------|-------------------------------------------|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-EC9 | Proportion of spending on local suppliers |  |  | We are currently working on a definition of "local suppliers" and on the corresponding data collection. As a result, we are not yet reporting on this indicator. |
|--------|-------------------------------------------|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Environmental Performance

| G4 Indicators                    |                                            | Links within this report                                                                                                                                                                                                                                    | External links | Comments                                                                                                                                                                                    |
|----------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environmental Performance</b> |                                            |                                                                                                                                                                                                                                                             |                |                                                                                                                                                                                             |
| Management approach              |                                            | <br><a href="#">Sustainable operations</a>                                                                                                                               |                |                                                                                                                                                                                             |
| <b>Energy</b>                    |                                            |                                                                                                                                                                                                                                                             |                |                                                                                                                                                                                             |
| G4-EN3                           | Energy consumption within the organization | <br><a href="#">Total energy consumption</a>                                                                                                                             |                | We do not sell significant volumes of energy to third parties. The consumption figures for the individual energy sources are converted into MWh on the basis of the usual standard factors. |
| G4-EN5                           | Energy intensity                           | <br><a href="#">Electricity, heating and cooling energy consumption</a>                                                                                                  |                | The energy intensity KPI comprises energy consumption within the organisation only.                                                                                                         |
| G4-EN6                           | Reduction of energy consumption            | <br><br><a href="#">Investments in energy efficiency and energy generation</a><br><br><a href="#">METRO Cash &amp; Carry – Energy efficiency and energy conservation</a> |                |                                                                                                                                                                                             |

| G4 Indicators              |                                                            | Links within this report                                                                                                                                                                                                                           | External links | Comments                                                                                                                                                                                                    |
|----------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                            | <a href="#">Real – New climate protection target for 2030</a><br><a href="#">Media-Saturn – Efficient energy use</a><br><a href="#">Total energy consumption</a>                                                                                   |                |                                                                                                                                                                                                             |
| <b>Water</b>               |                                                            |                                                                                                                                                                                                                                                    |                |                                                                                                                                                                                                             |
| G4-EN8                     | Total water withdrawal by source                           |  <b>KPMG</b><br><a href="#">Water withdrawal and wastewater generated</a>                                                                                         |                |                                                                                                                                                                                                             |
| <b>Emissions</b>           |                                                            |                                                                                                                                                                                                                                                    |                |                                                                                                                                                                                                             |
| G4-EN15                    | Direct greenhouse gas (GHG) emissions (Scope 1)            |  <b>KPMG</b><br><a href="#">Greenhouse gas emissions in tonnes of carbon</a>                                                                                      |                | The greenhouse gas KPIs are reported in the form of carbon equivalents and comprise all the Kyoto gases. Our biogenic Scope 1 emissions are insignificant and are therefore not listed separately.          |
| G4-EN16                    | Energy indirect greenhouse gas (GHG) emissions (Scope 2)   |  <b>KPMG</b><br><a href="#">Greenhouse gas emissions in tonnes of carbon</a>                                                                                      |                | The greenhouse gas KPIs are reported in the form of carbon equivalents and comprise all the Kyoto gases.                                                                                                    |
| G4-EN17                    | Other indirect greenhouse gas (GHG) emissions (Scope 3)    |  <b>KPMG</b><br><a href="#">Greenhouse gas emissions in tonnes of carbon</a>                                                                                     |                | The greenhouse gas KPIs are reported in the form of carbon equivalents and comprise all the Kyoto gases.                                                                                                    |
| G4-EN18                    | Greenhouse gas (GHG) emissions intensity                   |  <b>KPMG</b><br><a href="#">Greenhouse gas emissions in kilograms of carbon</a>                                                                                 |                |                                                                                                                                                                                                             |
| G4-EN19                    | Reduction of greenhouse gas (GHG) emissions                |  <b>KPMG</b><br><a href="#">Status of climate protection target</a><br><a href="#">Trends in the emission sources included in the climate protection target</a> |                |                                                                                                                                                                                                             |
| <b>Effluents and Waste</b> |                                                            |                                                                                                                                                                                                                                                    |                |                                                                                                                                                                                                             |
| G4-EN22                    | Total water discharge by quality and destination           |  <b>KPMG</b><br><a href="#">Water withdrawal and wastewater generated</a>                                                                                       |                |                                                                                                                                                                                                             |
| G4-EN23                    | Total weight of waste by type and disposal method          |  <b>KPMG</b><br><a href="#">Amount of waste and recycling rate</a>                                                                                              |                | The waste disposal method is determined on the basis of information provided by the disposal service providers we use.                                                                                      |
| <b>Transport</b>           |                                                            |                                                                                                                                                                                                                                                    |                |                                                                                                                                                                                                             |
| G4-EN30                    | Significant environmental impacts of transporting products |  <b>KPMG</b><br><a href="#">Responsible resource management</a>                                                                                                 |                | <p>During financial year 2015/16, we identified the following activities/consumptions for shipments:</p> <p>Company cars: 25.6 million litres of fuel</p> <p>Own logistics: 11.8 million litres of fuel</p> |

| G4 Indicators                                                 | Links within this report                                                                                                                                                                                                                                                                                                                                    | External links                                                                                                                                                                       | Comments                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                      | <p>External shipments: 2.5 billion kilometres of truck journeys, 7.8 million tonne-kilometres of flights, 1.6 billion tonne-kilometres of sea freight</p> <p>Business travel: 107 million kilometres of journeys/flights</p> <p>Employee commuting: 1.4 billion passenger kilometres</p> <p>This results in the following carbon emissions (carbon equivalents): 2.5 million tonnes of carbon</p> |
| <b>Societal Performance – Labor Practices and Decent Work</b> |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                   |
| G4 Indicators                                                 | Links within this report                                                                                                                                                                                                                                                                                                                                    | External links                                                                                                                                                                       | Comments                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Societal Performance:</b>                                  |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Labor Practices and Decent Work</b>                        |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                   |
| Management approach                                           |  <b>KPMG</b><br><a href="#">Commitment to the employees</a>                                                                                                                                                                                                                | Annual Report 2015/16:<br><a href="#">Employees</a>                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Employment</b>                                             |                                                                                                                                                                                                                                                                                                                                                             | Annual Report 2015/16:<br><a href="#">Sustainable human resource policies</a><br><a href="#">Remuneration models and succession planning</a><br><a href="#">Diversity management</a> |                                                                                                                                                                                                                                                                                                                                                                                                   |
| G4-LA1                                                        | New employee hires and employee turnover<br> <b>KPMG</b><br><a href="#">New employees by gender (in %)</a><br><a href="#">New employees by age group (in %)</a><br><a href="#">Staff turnover by gender (in %)</a><br><a href="#">Staff turnover by age group (in %)</a> |                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Labor/Management Relations</b>                             |                                                                                                                                                                                                                                                                                                                                                             | Annual Report 2015/16:<br><a href="#">Employer-employee relationships</a>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Occupational Health and Safety</b>                         |                                                                                                                                                                                                                                                                                                                                                             | Annual Report 2015/16:<br><a href="#">Occupational safety and health management</a>                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                   |
| G4-LA5                                                        | Percentage of total workforce represented in health and safety committees<br> <b>KPMG</b>                                                                                                                                                                                |                                                                                                                                                                                      | An Occupational Health and Safety Circle will be established in every country in which METRO GROUP is active by 2017. The proportion of employees already represented by these OHS Circles in 2015 was more than 44 per cent.                                                                                                                                                                     |
| G4-LA6                                                        | Injuries, occupational diseases, lost days, and work-related fatalities<br> <b>KPMG</b><br><a href="#">Work-related accidents (per 1,000 employees)</a>                                                                                                                  |                                                                                                                                                                                      | We report on the KPIs which are significant to us. The types of accident and the underlying causes are evaluated by us internally in order for us to derive appropriate precautionary measures. This internal data collection also includes contractor accidents.                                                                                                                                 |

| G4 Indicators                                  |                                                                                     | Links within this report                                                                                                                                                                                                                                                                                                                                                                | External links                                                                                                                                                                  | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Training and Education</b>                  |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                         | Annual Report 2015/16:<br><a href="#">Recruiting employees</a><br><a href="#">Remuneration models and succession planning</a><br><a href="#">Further training for employees</a> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| G4-LA9                                         | Average hours of training                                                           | <br><a href="#">Continuing professional development</a>                                                                                                                                                                                                                                                |                                                                                                                                                                                 | A breakdown by gender and employee groups is not relevant for us and is therefore not published.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Diversity and Equal Opportunity</b>         |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                         | Annual Report 2015/16:<br><a href="#">Diversity management</a>                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| G4-LA12                                        | Composition of governance bodies and breakdown of employees by aspects of diversity | <br><a href="#">Gender breakdown in managerial positions (in %)</a><br><a href="#">Managers by age group (in %)</a><br><a href="#">Number of nationalities among managers</a><br><a href="#">Employees</a><br><a href="#">Employees by age group (in %)</a><br><a href="#">Number of nationalities</a> |                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Supplier Assessment for Labor Practices</b> |                                                                                     | <br><a href="#">Sustainable procurement and assortment</a>                                                                                                                                                                                                                                           |                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| G4-LA14                                        | Percentage of new suppliers that were screened using labor practices criteria       | <a href="#">Sustainable procurement and assortment</a>                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                 | <p>It is not currently possible to specify a percentage, due to the fact that data for new suppliers are not collected separately. Such data collection is planned for the future.</p> <p>Otherwise, all the suppliers of non-food own-brand products who produce goods (or have goods produced) in risk countries are obliged to name their respective producers and to present valid audits for all of them. It is only possible to carry out a new listing of suppliers if a valid BSCI audit (or equivalent) is presented with an acceptable result for the specific producer (see also the METRO GROUP internal policy).</p>                                                                                                                                                                                                        |
| G4-LA15                                        | Significant impacts for labor practices in the supply chain                         | <br><a href="#">Sustainable procurement and assortment</a>                                                                                                                                                                                                                                           |                                                                                                                                                                                 | <p>a) All non-food own-brand producers used by us with a valid audit. At the reporting date of 30 September 2016, this was a total of 1,632 producers.</p> <p>b) Of these, the number of producers with a deal breaker result. In financial year 2015/16, this was a total of 195 producers.</p> <p>c) A deal breaker result encompasses the aspects of child labour, forced labour, occupational health and safety – especially fire safety – and ethical behaviour.</p> <p>d) Within the framework of the deal breaker process, non-food own-brand producers with a deal breaker result are obliged to rectify any shortcomings within six weeks. Until such time as the producer is able to prove that the shortcomings have been rectified and that they have sustainably improved their organisational processes, they will not</p> |

| G4 Indicators                              | Links within this report                                                                                                                                                                                                                                                                                  | External links                                                                                                                                                                                                    | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                   | <p>receive any further orders. In financial year 2015/16, 12 per cent of non-food own-brand producers produced a deal breaker result.</p> <p>e) In financial year 2015/16, 26 per cent of producers with a deal breaker result were unable to satisfactorily modify their organisational processes and were therefore temporarily blocked from receiving any further orders.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Societal Performance – Human Rights</b> |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| G4 Indicators                              | Links within this report                                                                                                                                                                                                                                                                                  | External links                                                                                                                                                                                                    | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Societal Performance:</b>               |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Human Rights</b>                        |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Management approach                        |  <b>KPMG</b><br><a href="#">Commitment to the employees</a><br><a href="#">Sustainable procurement and assortment</a><br><a href="#">UNGC – Human Rights</a>                                                             | Annual Report 2015/16:<br><a href="#">Employer-employee relationships</a><br><a href="#">Anti-discrimination</a><br><a href="#">Principles of fair working conditions</a><br><a href="#">BSCI Code of conduct</a> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Investment</b>                          |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| G4-HR2                                     | Employee training on human rights issues<br> <b>KPMG</b><br><a href="#">Fair working conditions</a>                                                                                                                    |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Child Labor</b>                         |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| G4-HR5                                     | Operations and suppliers having significant risk for incidents of child labor, and measures taken<br> <b>KPMG</b><br><a href="#">Fair working conditions</a><br><a href="#">Sustainable procurement and assortment</a> |                                                                                                                                                                                                                   | <p>a) + b) All non-food own-brand producers (Tier 1) in a risk country with a BSCI audit result of C, D, E, Zero Tolerance, Improvement Needed or Non-Compliant are subjected to a concrete audit regarding risks in the area of child labour. In financial year 2015/16, this was a total of 1,227 producers.</p> <p>c) In financial year 2015/16, no child labour was identified among any of the audited producers. As a result of insufficient processes for the reliable avoidance of child labour, 16 producers were subjected to measures for reducing this risk, including support in adapting internal producer processes, BSCI training programmes and/or re-audits.</p> <p>Furthermore, our producers are obliged to continually improve their audit results within the framework of the BSCI standard process. Producers whose audit results identified a need for improvement have twelve months to provide proof of those improvements through a follow-up audit. As of 1 January 2017, METRO Cash &amp; Carry and Real will tighten the requirements for suppliers such that new producers will only be used if their audit results are at least acceptable. A two-year transitional period will apply to current producers.</p> |
| <b>Forced or Compulsory Labor</b>          |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| G4 Indicators                           |                                                                                                                  | Links within this report                                                                                                                                                               | External links | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-HR6                                  | Operations and suppliers having significant risk for incidents of forced or compulsory labor, and measures taken | <br><a href="#">Fair working conditions</a><br><a href="#">Sustainable procurement and assortment</a> |                | <p>a) + b) All non-food own-brand producers (Tier 1) in a risk country with a BSCI audit result of C, D, E, Zero Tolerance, Improvement Needed or Non-Compliant are subjected to a concrete audit regarding risks in the area of forced labour. In financial year 2015/16, this was a total of 1,227 producers.</p> <p>c) In financial year 2015/16, no forced labour was identified among any of the audited producers. As a result of insufficient processes for the reliable avoidance of forced labour, five producers were subjected to measures for reducing this risk, including support in adapting internal producer processes, BSCI training programmes and/or re-audits.</p> <p>Furthermore, our producers are obliged to continually improve their audit results within the framework of the BSCI standard process. Producers whose audit results identified a need for improvement have twelve months to provide proof of those improvements through a follow-up audit. As of 1 January 2017, METRO Cash &amp; Carry and Real will tighten the requirements for suppliers such that new producers will only be used if their audit results are at least acceptable. A two-year transitional period will apply to current producers.</p> |
| <b>Assessment</b>                       |                                                                                                                  |                                                                                                                                                                                        |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| G4-HR9                                  | Operations that have been subject to human rights reviews                                                        | <br><a href="#">Fair working conditions</a>                                                           |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Supplier Human Rights Assessment</b> |                                                                                                                  |                                                                                                                                                                                        |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| G4-HR10                                 | Percentage of new suppliers that were screened using human rights criteria                                       | <a href="#">Sustainable procurement and assortment</a>                                                                                                                                 |                | <p>It is not currently possible to specify a percentage, due to the fact that data for new suppliers are not collected separately. Such data collection is planned for the future.</p> <p>Otherwise, all the suppliers of non-food own-brand products who produce goods (or have goods produced) in risk countries are obliged to name their respective producers and to present valid audits for all of them. It is only possible to carry out a new listing of suppliers if a valid BSCI audit (or equivalent) is presented with an acceptable result for the specific producer (see also the METRO GROUP internal policy).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| G4-HR11                                 | Significant human rights impacts in the supply chain                                                             | <br><a href="#">Sustainable procurement and assortment</a>                                          |                | <p>a) All non-food own-brand producers used by us with a valid audit. At the reporting date of 30 September 2016, this was a total of 1,632 producers.</p> <p>b) Of these, the number of producers with a deal breaker result. In financial year 2015/16, this was a total of 195 producers.</p> <p>c) A deal breaker result encompasses the aspects of child labour, forced labour, occupational health and safety – especially fire safety – and ethical behaviour.</p> <p>d) Within the framework of the deal breaker process, non-food own-brand producers with a deal breaker result are obliged to rectify any shortcomings within six weeks. Until such time as the producer is able to prove that the shortcomings have been rectified and that they have sustainably improved their organisational processes, they will not receive any further orders. In financial year 2015/16, 12 per cent of non-food own-brand producers produced a deal breaker result.</p> <p>e) In financial year 2015/16, 26 per cent of producers with a deal breaker result were unable to satisfactorily modify</p>                                                                                                                                            |

| G4 Indicators | Links within this report | External links | Comments                                                                                                 |
|---------------|--------------------------|----------------|----------------------------------------------------------------------------------------------------------|
|               |                          |                | their organisational processes and were therefore temporarily blocked from receiving any further orders. |

Societal Performance – Society

| G4 Indicators         | Links within this report                                                               | External links                                             | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Societal Performance: |                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Society               |                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Management approach   |                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Anti-corruption       |                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| G4-S03                | Percentage of operations assessed for risks related to corruption and risks identified | Annual Report 2015/16:<br><a href="#">Compliance risks</a> | <p>All operating companies and service companies at METRO GROUP (excluding minority shareholding companies) are assessed for risks related to compliance, including corruption.</p> <p>METRO GROUP conducts compliance risk assessment workshops on an annual basis. During the workshops, various compliance risks – including corruption – are assessed in terms of loss potential and probability of occurrence within every entity. For the assessment, different risk scenarios have been provided. These include, for example, active or passive corruption involving different stakeholders, such as suppliers or public officials. The results of the risk assessment in the local entities are validated and consolidated at the corporate level as part of the corporate risk management process.</p> <p>The business activities of METRO GROUP are subject to a wide range of statutory and self-imposed standards. Various legal requirements, as well as increased expectations among customers and the public that companies ensure compliance within their organisations, are resulting in more demanding requirements and greater complexity. In order to satisfy these requirements, METRO GROUP has established and continually developed a group-wide compliance management system. The aim is to systematically and permanently prevent regulatory violations within the organisation. METRO GROUP regularly identifies behavioural risks.</p> <p>The main focus of our compliance management is on preventing corruption and antitrust risks. Corruption risks may exist in interactions with public institutions and officials, for example in the context of international expansion or approval procedures. They can also arise from business relations with suppliers and other business partners. In addition, the group-wide compliance management system also covers other relevant criminal and regulatory risks, data protection and risk areas concerning labour law, such as discrimination.</p> <p>Taking into account the identified and assessed compliance risks, the necessary organisational structures are established within the framework of the compliance management system. The risks are steered and controlled consistently by the responsible departments within the existing structures.</p> <p>In order to manage the identified compliance risks, METRO AG has introduced guidelines with a group-wide validity,</p> |

| G4 Indicators             | Links within this report                      | External links                                  | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------|-----------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-S04                    | Communication and training on anti-corruption | <a href="#">UNGC – Anti-Corruption Measures</a> | <p>including an antitrust manual, which provides, for example, work aids for supplier negotiations. It also includes sample formulations that are used for the purposes of antitrust-compliant communication with suppliers. In addition, METRO AG has introduced anti-corruption guidelines throughout the group, which include behavioural requirements for dealing with public institutions and officials on the one hand, and business partners on the other. The anti-corruption guidelines also require a compliance check for business partners in risk-related areas before entering into business relations.</p> <p>METRO GROUP has set up a training management and guidelines management process that is applicable for all operating companies and service companies (excluding minority shareholding companies) to facilitate compliance and the prevention of corruptive practices. Training management processes and guidelines management processes cover employees as well as governance body members and are applicable group-wide.</p> <p>Target groups for anti-corruption policies and procedures are defined according to content and organisational relevance. Distribution is carried out either via the designated IT tool or via the cascading of information through management. For training activities, target groups are defined using a risk-based approach based, for example, on the risk profile of the function or the job position. Both managers and employees are part of this approach. For supervised workers and non-permanent employees (temporary staff and workers on fixed-term contracts), a risk-oriented selection is made. The training management ensures that participation in training programmes is adequately tracked. For policies and procedures, acknowledgement is tracked by the tool.</p> <p>New employees have received communications regarding anti-corruption policies and procedures within financial year 2015/16. Moreover, ongoing communication regarding anti-corruption policies takes place through internal communication channels such as the intranet and the social network. As no update of the existing anti-corruption policies has taken place, no separate communications were initiated via the designated IT tool.</p> <p>Based on the results of the current compliance annual reporting, in 84 per cent of the operating companies and service companies taking part, training on anti-corruption had been conducted with more than 90 per cent of employees and executives (including governance body members) within financial year 2015/16.</p> <p>In 16 per cent of the targeted entities, training on anti-corruption was conducted with less than 90 per cent of employees and executives within financial year 2015/16. Measures to optimise the training rates in these entities have been already set up.</p> <p>Based on risk, all business partners have to complete a compliance business partner questionnaire (BPQ) before concluding a contract with METRO GROUP for the first time. Renewal of the BPQ is requested at regular intervals. The BPQ is focused on compliance-related topics and aims at identifying any indication of non-compliance on the supplier side.</p> <p>We do not externally report on regions or issue breakdowns by employee category.</p> |
| Anti-competitive Behavior |                                               |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| G4 Indicators                                                                             | Links within this report                                                                               | External links                                                       | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-S07<br>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices |  <a href="#">KPMG</a> | Annual Report 2015/16:<br><a href="#">47. Remaining legal issues</a> | <p>Information on legal disputes, investigations and any other legal matters, and also on the potential risks or impacts for METRO GROUP, is contained in section <a href="#">47. Other legal matters</a> in the notes to the consolidated financial statements of METRO AG as of 30 September 2016.</p> <p>Only those legal matters that are of significance to the asset, financial and earnings position of the group or METRO AG are included in the reporting. The materiality principle for reporting is based on Section 315 of the German Commercial Code (HGB) in conjunction with German Accounting Standard no. 20 (GAS 20) with regards to the consolidated financial statements of METRO AG and on Section 289 HGB in conjunction with GAS 20 with regards to the separate financial statements of METRO AG.</p> |

#### Supplier Assessment for Impacts on Society

|                                                                                                |                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G4-S09<br>Percentage of new suppliers that were screened using criteria for impacts on society | <a href="#">Sustainable procurement and assortment</a>                                                                                                           |  | We consider non-compliance with social standards, particularly poor labour conditions, to be among the main actual and potential significant negative impacts on society. We help combat such circumstances with our efforts in the field of social standards within our non-food own-brand production (Level 1 factories). As a result, we make reference here to our response to G4-LA14. |
| G4-S010<br>Negative impacts on society in the supply chain and actions taken                   |  <a href="#">KPMG</a><br><a href="#">Sustainable procurement and assortment</a> |  | We consider non-compliance with social standards, particularly poor labour conditions, to be among the main actual and potential significant negative impacts on society. We help combat such circumstances with our efforts in the field of social standards within our non-food own-brand production (Level 1 factories). As a result, we make reference here to our response to G4-LA15. |

#### Societal Performance – Product Responsibility

| G4 Indicators                                                | Links within this report                                                                                                                                                                                                                       | External links | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Societal Performance:</b>                                 |                                                                                                                                                                                                                                                |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Product Responsibility</b>                                |                                                                                                                                                                                                                                                |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Management approach                                          |  <a href="#">KPMG</a><br><a href="#">Sustainable procurement and assortment</a>                                                                             |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Product and Service Labeling</b>                          |                                                                                                                                                                                                                                                |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| G4-PR5<br>Results of surveys measuring customer satisfaction |  <a href="#">KPMG</a><br><a href="#">METRO Cash &amp; Carry – Waste reduction</a><br><a href="#">METRO Cash &amp; Carry – Fish from sustainable fishery</a> |                | <p>In addition to contact through our sales force, we survey our customers on a regular basis as part of the METRO Cash &amp; Carry Customer Satisfaction Pulse initiative, in order to assess their satisfaction with the performance of the company. Each quarter, 100 customers are surveyed at every store. This includes querying their satisfaction with the product range and product availability, prices, cleanliness, the checkout experiences and store employees. In addition, customers are asked about whether they feel respected and whether they would recommend METRO to others.</p> <p>METRO Cash &amp; Carry Germany also conducted a representative study among Horeca customers regarding the importance of sustainability issues in the food service</p> |

| G4 Indicators | Links within this report | External links | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------|--------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                          |                | <p>industry. 500 people took part in the telephone survey conducted in June 2016. The survey found that 98 per cent of restaurateurs in Germany believed that it was very important or somewhat important that no food be wasted. This means that the issue of throwing away food is the top issue in the field of sustainability for the food service industry in Germany, ahead of saving energy (94 per cent), regionality (83 per cent) and animal welfare (also 83 per cent).</p> <p>Every year, Real in Germany surveys approximately 25,000 of its own customers and approximately 5,800 customers of its competitors regarding their satisfaction. In recent years, satisfaction has been at 1.7 on a scale of 1 (highly satisfied) to 4 (highly dissatisfied).</p> <p>In order to strengthen its contact with customers, in 2016 Media-Saturn established the Media Markt Club. In Germany alone, the club attracted more than 500,000 members in the first two months. Customers are also surveyed through the Media Markt Club, and customer satisfaction data are collected.</p> <p>Customer opinions are also reflected in the results of our stakeholder survey. As a group of stakeholders, customers also had the opportunity here to assess the relevance of factors related to sustainability.</p> |

## United Nations Global Compact

Being a member of the United Nations Global Compact – the world’s largest initiative for corporate responsibility – helps METRO GROUP to firmly embed sustainability in its company strategy. As well as this, it provides the right framework for our long-term commitment to responsible and ethical business practices.

With this Communication on Progress, METRO GROUP is fulfilling its obligation to demonstrate which guidelines and measures it is using to improve its performance in the fields of human rights, working standards, environmental protection and the elimination of corruption and to ensure that the Global Compact’s ten basic principles are adhered to in strategic decision-making and day-to-day work both now and in the future.



Düsseldorf, December 2016

## United Nations Global Compact Communication on Progress 2015/16

In the following table, we show examples of commitments and management systems that serve the ten principles, measures that we have taken and results that we achieved in the reporting period 2015/16.

### Human Rights and Labour Standards

| Principle                                                                             | Commitments and management systems                                                                                                                                     | Measures 2015/16                                                                                                                                                                                                                                                                                                                                                                                                     | Achievements 2015/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 1:<br/>Support for human rights</b>                                      | METRO GROUP Business Principles<br>Anti-discrimination guidelines                                                                                                      | Producers in defined risk countries (based on the assessment of the Business Social Compliance Initiative (BSCI)) in which MGB Hong Kong has import goods manufactured and producers that manufacture own brands or own imports in the areas of clothing, shoes, toys and consumer durables for the METRO GROUP sales lines are assisted in implementing the BSCI standard or an equivalent social standards system. | Of the 1,632 audited BSCI-relevant factories, 86 per cent passed the social audit in accordance with BSCI specifications.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>PRINCIPLE 2:<br/>Elimination of human rights abuses</b>                            | METRO GROUP guidelines on fair working conditions and social partnership<br>International standards throughout the supply chain (BSCI)                                 |                                                                                                                                                                                                                                                                                                                                                                                                                      | In addition to the training programmes offered by BSCI, approximately 600 producers were trained by MGB Hong Kong.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>PRINCIPLE 3:<br/>Freedom of association and the right to collective bargaining</b> | Accord on Fire and Building Safety in Bangladesh<br>Key labour standards of the ILO (International Labour Organization), embedded in a variety of corporate guidelines | Social dialogue at the local level is an important element in order for METRO GROUP to build up good labour relations. Collective agreements existing in various countries were reinforced. In other countries, collective agreements were reached for the first time or negotiations in this regard are still ongoing.                                                                                              | See <a href="#">the social audits key performance indicator relating to own imports by MGB Hong Kong and non-food own brands of the METRO GROUP sales lines</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>PRINCIPLE 4:<br/>Elimination of all forms of forced labour</b>                     | Social standards clause in supplier contracts                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                      | Sales of fair-trade products within the METRO Cash & Carry and Real sales lines in Germany came to just under €12 million. This figure includes items featuring the Fair-trade or the GEPA label.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>PRINCIPLE 5:<br/>Abolition of child labour</b>                                     | OECD Guidelines for Multinational Enterprises, embedded in a variety of corporate guidelines                                                                           | Systematic continuation of the awareness-raising initiative Inclusion for Growth launched last year for all METRO AG and METRO Cash & Carry employees regarding inclusion and diversity, supported by workshops and an e-learning module.                                                                                                                                                                            | Based on audits of the METRO principles concerning fair working conditions and social partnership conducted in Turkey, Poland and Austria, the next project was started in the reporting year. It provides for an expanded audit of fair working conditions and social partnership in METRO GROUP’s stores and offices in the various countries. This expanded audit is based on the UN Guiding Principles on Business and Human Rights, and comprises not only the seven global METRO principles concerning fair working conditions and social partnership, but also, for example, employee data protection. The |
| <b>PRINCIPLE 6:<br/>Elimination of discrimination</b>                                 | The Consumer Goods Forum’s Resolution on Forced Labour<br>The Consumer Goods Forum’s Resolution on Health & Wellness                                                   | METRO GROUP has been on the Board of Charta der Vielfalt e. V. since 2013. As a member of the Rhine-Ruhr Diversity Network, METRO GROUP organised a joint event under the motto of “Vielfalt statt Vielfalt – Kulturelle Kompetenz für wirtschaftlichen                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Principle | Commitments and management systems | Measures 2015/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Achievements 2015/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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|           |                                    | <p>Erfolg" (Diversity, not simplicity – cultural skills for commercial success) on the occasion of Germany's fourth Diversity Day in June 2016. Some 100 managers from the member companies were invited to experience the importance of this issue for their management tasks in many different ways. On the occasion of its ten-year anniversary, Charta der Vielfalt took a mobile diversity workshop to ten locations in Germany. Diversity management is examined, embedded and further developed from various points of view in the regions via interactive experiences, input from experts and discussions. The initiative aims to advance the recognition, appreciation and inclusion of diversity in corporate culture in Germany. The workshop tour stopped in Düsseldorf following a joint invitation from METRO GROUP and Henkel AG &amp; Co. KGaA.</p> <p>The aim is for the proportion of women in managerial positions (levels 1 to 3) to be 25 per cent throughout the group in the calendar year 2017. At METRO AG, the target is for women to make up 25 per cent of the first two management levels below the Management Board in the calendar year 2017 as well.</p> <p>The employee network Women in Trade (WiT) now has some 290 members. It is instrumental in sustainably increasing the proportion of women in managerial positions, promoting internal and external dialogue, and creating better underlying conditions for women within the group.</p> <p>The employee network PRIDE for lesbian, gay, bisexual, trans and intersex people aims to raise awareness of the topics of sexual orientation and identity. In June 2016, a workshop on sexual orientation and identity launched the network's ambassador programme.</p> <p>For details of active involvement in the areas of inclusion and diversity, occupational health and safety, and employer-employee relations, see also the "employees" chapter of the Annual Report 2015/16.</p> | <p>project started in October with Ukraine as the pilot country.</p> <p>The joint declaration of METRO GROUP and the international union organisation UNI Global Union in December 2013 once again constituted the basis for the further support of the management and local labour representatives in the reporting year, for instance in Pakistan.</p> <p>In November 2015, representatives of the management of METRO GROUP attended the annual meeting of the UNI METRO Global Union Alliance in Berlin in order to share their assessments concerning the developments within METRO GROUP in the various countries.</p> <p>Development and implementation of internal guidelines for the creation and maintenance of a healthy and safe work environment.</p> <p>To make people more aware of the fact that occupational health and safety is the responsibility of all staff members, we participated in the initiative of the International Labour Organization (ILO): in April 2016, we held our first international Occupational Health and Safety Day.</p> <p>Occupational health and safety training courses remain a high priority for us in order that we can prevent accidents. For this reason, we advanced the development of our own training library even further in financial year 2015/16. A training course developed by METRO LOGISTICS on how to operate forklift trucks was modified to make it internationally applicable.</p> <p>The proportion of women at management levels 1 to 3 was 17.2 per cent on the reporting date, 30 September 2016.</p> <p>Successful external audit of the employee-related KPIs.</p> |

## Environmental Protection

| Principle                                                              | Commitments and management systems                                                                                                                                                                                                  | Measures 2015/16                                                                                                               | Achievements 2015/16                                                                                                         |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 7: Precautionary approach to environmental challenges</b> | METRO GROUP environmental policy                                                                                                                                                                                                    | Implementing energy-saving measures in all the sales lines with the Energy-Saving Programme and the Energy Awareness Programme | Greenhouse gas emissions per m <sup>2</sup> of selling space reduced by 24 per cent compared to 2011                         |
| <b>PRINCIPLE 8: Promotion of greater environmental responsibility</b>  | Energy management systems in accordance with ISO 50001                                                                                                                                                                              |                                                                                                                                | Energy consumption per m <sup>2</sup> of selling space down almost 1 per cent year-on-year                                   |
|                                                                        | METRO GROUP climate protection target: Reducing greenhouse gas emissions per m <sup>2</sup> of selling space by 50 per cent from 330 kg CO <sub>2</sub> e/m <sup>2</sup> in 2011 to 165 kg CO <sub>2</sub> e/m <sup>2</sup> in 2030 | F-Gas Exit Programme: switching over our refrigeration systems to natural refrigerants such as CO <sub>2</sub> or ammonia      | Greenhouse gas emissions from refrigerant losses per m <sup>2</sup> of selling space reduced by 21 per cent compared to 2011 |

| Principle                                                                                             | Commitments and management systems                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Measures 2015/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Achievements 2015/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>bility</b><br><br><b>PRINCIPLE 9:</b><br><b>Diffusion of environmentally friendly technologies</b> | <p>Buying policy for sustainable sourcing, also specific purchasing guidelines on fish, palm oil and packaging</p> <p>International standards along the supply chain (GLOBALG.A.P., IFS)</p> <p>The Consumer Goods Forum's Resolution on Deforestation</p> <p>The Consumer Goods Forum's Resolution on Sustainable Refrigeration</p> <p>The Consumer Goods Forum's Resolution on Food Waste</p> <p>Membership in the Roundtable on Sustainable Palm Oil (RSPO)</p> <p>Membership in the Global Sustainable Seafood Initiative (GSSI)</p> <p>Company car guideline with incentive system for more fuel-efficient vehicles</p> | <p>Assisting consumers with energy efficiency and correct disposal by providing relevant information and guides and also by taking back old electrical appliances at METRO Cash &amp; Carry, Media-Saturn and Real in Germany</p> <p>Transparent public reporting on climate change and water by participating in the CDP climate change programme and the CDP water programme</p> <p>Implementing the general buying policy for sustainable procurement and the specific buying guidelines for fish, palm oil and packaging</p> <p>Range of ecologically and socially certified products</p> <p>Voluntary commitment to reporting on projects and their aims, measures and KPIs concerning circular economy by 2018 in the context of the Retailers' Environmental Action Programme (REAP), which is jointly sponsored by the European Commission and European retailers and associations</p> | <p>See <a href="#">KPIs on the carbon footprint</a> and <a href="#">status of the climate protection target</a></p> <p>Water consumption per m<sup>2</sup> of selling space increased by more than 2 per cent compared with the previous year</p> <p>Environmental KPIs successfully audited externally once again</p> <p>Energy management systems certified or recertified in accordance with ISO 50001 at over 130 locations. Certification of other locations is planned</p> <p>Renewed BREEAM certification for METRO GROUP headquarters</p> <p>Opening of the first METRO Cash &amp; Carry green store in Dongguan, China</p> <p>Charging point infrastructure for electromobility expanded</p> <p>Implementation of an industry-wide traceability system as a precautionary measure relating to illegal fishing in various countries, and expansion to include new partners</p> <p>Products certified in accordance with the EU regulation on organic farming accounted for €130 million in sales within the METRO Cash &amp; Carry and Real sales lines in Germany</p> <p>In Germany, METRO Cash &amp; Carry and Real generated sales of over €86 million with products caught using sustainable fishing practices and aquaculture. These are products bearing the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC) and EU organic logos. Real generated sales of €367 million with regional products in the last financial year. Sales of products bearing the Forest Stewardship Council® (FSC®) label or the label of the Programme for the Endorsement of Forest Certification (PEFC) amounted to just under €13 million</p> <p>Media-Saturn generated more than €3.2 billion in sales with energy-efficient electrical appliances</p> |

#### Anti-Corruption Measures

| Principle                                           | Commitments and management systems                                                                                                                                                                                                                         | Measures 2015/16                                                                                                                                                                                                                                                                                                              | Achievements 2015/16                                                                                                                                                                                                                                       |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 10:</b><br><b>Combating corruption</b> | <p>METRO GROUP Business Principles</p> <p>Anti-corruption guidelines for dealings with business partners and officials</p> <p>Business partner questionnaires</p> <p>OECD Guidelines for Multinational Enterprises, embedded in a variety of corporate</p> | <p>Group-wide compliance communications providing staff with information in various formats, including METRO GROUP's social network platform, in order to ensure compliant conduct and prevent anti-competitive behaviour</p> <p>Implementation of an internal control system for managing compliance risks within opera-</p> | <p>Examples of internal communication measures:</p> <ul style="list-style-type: none"> <li>— Compliance Talks</li> <li>— Compliance presence on METRO GROUP's social network</li> <li>— Campus Hour: information event on the Düsseldorf Campus</li> </ul> |

| Principle | Commitments and management systems | Measures 2015/16                                                                                                                                                                                                                                               | Achievements 2015/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | guidelines                         | tional processes, including systematic checks, dual control and separation of functions                                                                                                                                                                        | Examples of external communication measures:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|           | Supply Chain Initiative (SCI)      | <ul style="list-style-type: none"> <li>— Regular monitoring of internal controls within the operating processes</li> <li>— Implementation of internal controls in other processes relating to key compliance issues (e.g. anti-corruption measures)</li> </ul> | <ul style="list-style-type: none"> <li>— Membership of and active involvement in the Alliance for Integrity, an anti-corruption initiative run by the Federal Ministry for Economic Cooperation and Development and the United Nations Global Compact network</li> </ul>                                                                                                                                                                                                                                                                                                                                                        |
|           |                                    | Due diligence assessments of business partners based on the anti-corruption guidelines by means of business partner questionnaires                                                                                                                             | Training management optimisation for better adaptation of all training in the area of Corporate Legal Affairs & Compliance and to ensure there is a sufficient array of training for the target group, with defined mandatory training seminars                                                                                                                                                                                                                                                                                                                                                                                 |
|           |                                    | Inclusion of an anti-corruption clause in contracts with business partners                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|           |                                    | External auditing of METRO GROUP's compliance management system                                                                                                                                                                                                | Implementation of anti-corruption training for the relevant target group in accordance with METRO GROUP's training management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|           |                                    |                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>— In financial year 2015/16, training on the topic of anti-corruption measures was given to more than 90 per cent of the employees and executives in 84 per cent of the targeted business units.</li> <li>— Over the same period, training on the topic of anti-corruption measures was given to fewer than 90 per cent of the employees and executives in 16 per cent of the targeted units. Measures to improve these training quotas have already been initiated.</li> <li>— Additionally, training for new employees working in risk-based positions (such as purchasers)</li> </ul> |
|           |                                    |                                                                                                                                                                                                                                                                | Governance of all the METRO GROUP units managed by the Corporate Legal Affairs & Compliance department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## Independent Assurance Report (Translation)<sup>1</sup>

To the Management Board of METRO AG, Düsseldorf

We have performed an independent limited assurance engagement on selected quantitative and qualitative sustainability performance information in the “Corporate Responsibility Report 2016” (further “Report”) for the business year 2015/2016 (October 1, 2015 to September 30, 2016) of METRO AG, Düsseldorf (further “METRO”), published online at <http://reports.metrogroup.de/2015-2016/corporate-responsibility-report>. The quantitative and qualitative sustainability performance information included in the scope of our assurance is marked with  KPMG in the column “Links within this Report” of the GRI Content Index.

It was not part of our engagement to review product and service related information, references to external websites and information sources, as well as future-related statements in the Report.

### Management’s Responsibility

The legal representatives of METRO are responsible for the preparation of the Report and the determination and presentation of the quantitative and qualitative information in accordance with the Reporting Criteria. METRO applies the principles and standard disclosures of the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative, the Corporate Accounting and Reporting Standard (Scope 1 and 2) and the Corporate Value Chain (Scope 3) Standard of World Resources Institute/World Business Council for Sustainable Development, supported by internal guidelines, as described in the explanations to the sustainability performance indicators (further: Reporting Criteria).

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the reported information and the use of assumptions and estimates for individual sustainability disclosures which are reasonable under the given circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the information in a way that is free of – intended or unintended – material misstatements.

### Independence and quality assurance on the part of the auditing firm

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA-Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The quality assurance system of KPMG AG Wirtschaftsprüfungsgesellschaft is based on the International Standard on Quality Control 1 “Quality Control for Audit, Assurance and Related Service Practices” (ISQC 1) and, in addition, on national statutory requirements and professional standards, especially the Professional Code for German Public Auditors and Chartered Accountants as well as the joint statement of WPK (German Chamber of Public Accountants) and IDW (Institute of Public Auditors in Germany): Requirements for quality assurance in the auditing practice (VO 1/2006).

## Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed and the evidence obtained on the quantitative and qualitative sustainability performance information included in the scope of our assurance is marked with  KPMG in the GRI Content Index.

## Nature and extent of the assurance engagement

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements (ISAE) 3410: "Assurance Engagements on Greenhouse Gas Statements" of the International Auditing and Assurance Standards Board (IAASB). These standards require that we comply with our professional duties and plan and perform the assurance engagement to obtain a limited level of assurance to preclude that the information above is not prepared, in all material respects, in accordance with the aforementioned Reporting Criteria. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement. This includes the assessment of the risk of material misstatement of the assured information under consideration of the Reporting Criteria.

Within the scope of our work, we performed amongst others the following procedures when conducting the limited assurance engagement:

- Interviewing employees at Group level in order to gain an understanding of the process for determining material sustainability topics and the respective boundaries of METRO.
- A risk analysis, including a media search, to identify relevant sustainability aspects for METRO in the reporting period.
- Evaluation of the design and implementation of systems and processes for the collection, processing and controls of the selected sustainability performance indicators, including the consolidation of the data and the documentation of these activities.
- Interviews with relevant staff at Group level responsible for providing the data and information, carrying out internal control procedures and consolidating the data and information, including the explanations to the reported information.
- Visits to Media Markt Saturn Holding Nederland B.V. (Rotterdam) and METRO Cash & Carry Nederland B.V. (Amsterdam), and video conferences with Metro Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi (Istanbul) and MS Istanbul İç ve Dış Ticaret Ltd. Sirketi (Istanbul), to assess local data collection and reporting processes and the reliability of the reported data.
- Visits to two stores of Real and METRO Cash & Carry in Germany to assess local data collection and reporting processes and the reliability of the reported occupational safety data.
- Evaluation of internal and external documentation to determine whether the qualitative and quantitative information is supported by sufficient evidence and is presented correctly and balanced.
- Analytical review of the data and trend explanations submitted by all sales divisions for consolidation at Group level.
- Evaluation of the overall presentation of the quantitative and qualitative information on the sustainability performance in scope of our assurance engagement.

## Conclusion

Based on the procedures performed and the evidence received, nothing has come to our attention that causes us to believe that selected quantitative and qualitative sustainability performance information in the Corporate Responsibility Report 2016 of METRO, for the business year 2015/2016, published online at <http://reports.metrogroup.de/2015-2016/corporate-responsibility->

report and marked in the GRI G4 Content Index with  KPMG, is not prepared, in all material respects, in accordance with the Reporting Criteria.

## Purpose of the assurance report

This assurance report is issued based on an assurance engagement agreed upon with METRO. The assurance engagement to obtain limited assurance is conducted on behalf of METRO and the assurance report is solely for information purposes of METRO on the results of the assurance engagement.

## Limited liability

This assurance report must not be used as a basis for (financial) decision-making by third parties of any kind. We have responsibility only towards METRO. We do not assume any responsibility towards third parties.

Düsseldorf, December 14, 2016

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

**Fischer**  
Wirtschaftsprüferin  
[German Public Auditor]

**Glöckner**  
Wirtschaftsprüfer  
[German Public Auditor]

<sup>1</sup> Our engagement applied to the German version of the Report 2016. This text is a translation of the Independent Assurance Report issued in German language, whereas the German text is authoritative.

# REPORT PROFILE

This Corporate Responsibility Report 2015/16 was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI G4) and fulfils the “Core” option.

The [GRI Content Index](#) can be found [here](#).

## Reporting period

The reporting period is the current financial year 2015/16 (1 October 2015 to 30 September 2016). To provide updates on developments, information has also been included that relates to periods prior to 2015/16. In the interests of topicality, we have also taken into account events which occurred up to the time of going to press (12 December 2016). The frame of reference for each of our targets and measures is indicated in the relevant section.

METRO GROUP reports on its sustainability performance each year by publishing either a progress report or a Corporate Responsibility Report. A [progress report](#) was produced for financial year 2014/15, which was published on 16 December 2015.

## Limitations of the report

The scope of applicability of the information is given in the respective texts, key performance indicators or goals.

## United Nations Global Compact

Since 2010, METRO GROUP has subscribed to the principles of the UN Global Compact, a United Nations-led global initiative that aims to encourage businesses to adopt universal sustainability principles. By subscribing to the United Nations Global Compact, we have committed ourselves to continuous improvements in the areas of human rights, labour standards, environmental protection and anti-corruption measures. With the [Communication on Progress 2015/16](#) that is available online, METRO GROUP meets its obligation to demonstrate how improvements have been made within these areas.

## Independent external assurance of the CR Report 2015/16

We constantly strive to improve our sustainability management. Having our report audited externally is a means of emphasising the credibility and transparency of our sustainability reporting. That is why the METRO GROUP Sustainability Board decided to increase its use of auditing. This year, the scope of information externally assured by KPMG AG Wirtschaftsprüfungsgesellschaft was extended. The quantitative and qualitative sustainability performance information included in the scope of the assurance engagement that was conducted according to ISAE 3000 and ISAE 3410 is marked

with  KPMG in the column “Links within this Report” of the GRI Content Index. It was not part of the engagement to review product and service related information, references to external websites and information sources, as well as future-related statements in the Report. [The certificate can be found here.](#)

## Disclaimer

This Corporate Responsibility Report contains forward-looking statements that are based on certain assumptions and expectations at the time of its publication. These statements are therefore subject to risks and uncertainties, which means that actual results may differ substantially from the future-oriented statements made here. Many of these risks and uncertainties are determined by factors that are beyond the control of METRO GROUP and cannot be gauged with any certainty at this point in time. These include future market conditions and economic developments, the behaviour of other market participants, the achievement of expected synergy effects as well as legal and political decisions. METRO GROUP does not feel obliged to publish corrections to these forward-looking statements to reflect events or circumstances that occur after the publication date of this material.

## Join in the dialogue

Dialogue with our readers is important to us because it shows us what you expect of our company and where we can make further improvements. We would therefore like to hear any questions or comments you may have about the METRO GROUP Corporate Responsibility Report 2015/16 and our sustainability activities in general.

To share your thoughts, use one of our online dialogue tools or send us an e-mail: [CR@metro.de](mailto:CR@metro.de)

We will also conduct another stakeholder survey in 2017 to identify the most important issues we face. We hope you will visit our website and take part.

## Further information

### Publishing details

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#### Film production

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#### Photo credits

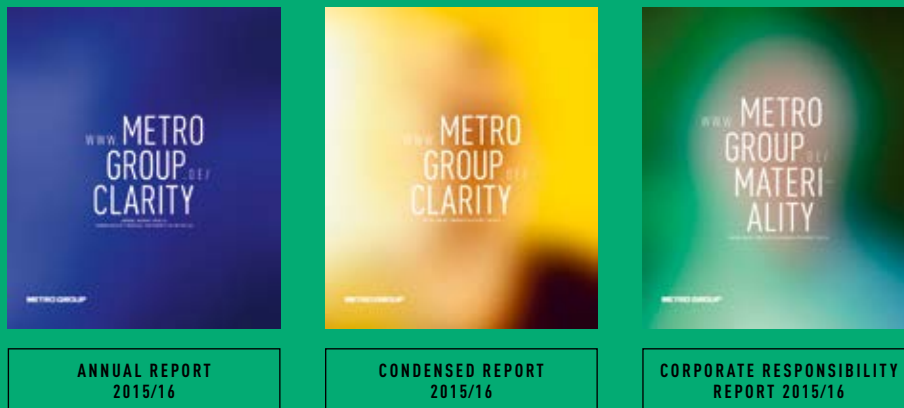
Magazine: all pictures (METRO AG)

Sustainability approaches of the sales lines – **METRO Cash & Carry**: METRO Sustainable (METRO Cash & Carry), Fair trade coffee beans (METRO Cash & Carry), GSSI logo (GSSI), Corvinus (METRO Cash & Carry Hungary), Alma Makro (METRO Cash & Carry Spanien), Filiere (METRO Cash & Carry Italien), Fermove (METRO Cash & Carry Ukraine), MSLP (METRO AG), WiT (METRO AG), LEAD Network (LEAD Network), Care & Share (METRO AG), WFP (WFP).

Sustainability approaches of the sales lines – **Media-Saturn**: MH Imtron (Media-Saturn-Holding GmbH), Utopia empfiehlt (Utopia GmbH), Saturn Ingolstadt 078 (Media-Saturn-Holding GmbH), electronic price displays (Media-Saturn-Holding GmbH), store energy consumption (Media-Saturn-Holding GmbH), parcel collection (Media-Saturn-Holding GmbH), vocational training (Media-Saturn-Holding GmbH), Fit bleibt vorn (Media-Saturn-Holding GmbH), diagrams: kaputt.de solutions (kaputt.de).

Sustainability approaches of the sales lines – **Real**: Portrait of Patrick Müller-Sarmiento, Henning Gieseke (real,- SB-Warenhaus GmbH), sustainable textiles partnership (Partnership for Sustainable Textiles), Bangladesh Accord (Bangladesh Accord), BSCI (Foreign Trade Association), "Gutes aus der Heimat" poster (real,- SB-Warenhaus GmbH), permaculture (real,- SB-Warenhaus GmbH), animal welfare at Real (real,- SB-Warenhaus GmbH), vegan and vegetarian product range (real,- SB-Warenhaus GmbH), Klick dich klug (real,- SB-Warenhaus GmbH), UNICEF cards and logo (UNICEF), wish tree campaign (real,- SB-Warenhaus GmbH), "Alt gegen Neu" campaign (real,- SB-Warenhaus GmbH), food banks (Bundesverband Deutsche Tafel e.V.), FSC® and FSC® mix (FSC®), Good Rabbit Award (Compassion of World Farming), Inclusion Award (Inclusion Award), Trainer of the Year 2016 (Lebensmittel Praxis), "Mit gutem Gewissen" sustainability award (Focus Money), Company Check 2015 (Die Verbraucher Initiative e.V.).

Published on 14 December 2016



The present Corporate Responsibility Report is one of three METRO GROUP publications on financial year 2015/16. You will find the full annual report as well as the condensed report at [www.metrogroup.de/clarity](http://www.metrogroup.de/clarity).

# WWW.METROGROUP.DE/ CLARITY

