

The background of the entire page is a grid of cardboard boxes. Each box features a different sustainability icon within a yellow circle, such as a ship, a tree, a tag, a truck, a lightbulb, a water drop, a group of people, a fish, a recycling symbol, a leaf, a grid of dots, and a person with a cane. The text 'SUSTAINABLE CONSUMPTION' and 'CONSERVING RESOURCES' is printed on several boxes. At the bottom of the grid, various retail logos are visible, including 'METRO', 'real+', 'redcoon', 'SATURN', and 'GALERIA'.

**METRO GROUP**  
MADE TO TRADE.

SUSTAINABILITY.

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## **JOIN IN THE DIALOGUE**



SUSTAINABILITY ONLINE – DATA, FACTS AND FIGURES  
**WWW.METROGROUP.DE/SUSTAINABILITY**

WANT TO ACCESS SPECIFIC INFORMATION FAST?  
**JUST USE THE QUICK LINK!**



# DEAR READERS,

**2011 was an eventful year, both for the global economy and for METRO GROUP.**

The year was hallmarked by dramatic events such as the Arab Spring, the nuclear disaster in Fukushima and the sovereign debt crisis in Europe. These radical changes had a social impact in many of the countries where METRO GROUP operates and also affected our customers and business partners. We felt the consequences keenly and are still feeling them now in 2012.

**Nevertheless, METRO GROUP succeeded in posting a net profit for 2011 that almost matched the record figure from 2010.** This was only possible because all of the units and sales divisions worked together. We initiated a large number of projects and measures because it is crucial to move with the changing times in order to survive. 2011 also prompted us to overhaul our sustainability management and thereby pave the way for us to make fundamental decisions about our future course in 2012.

Our report reflects this development. It conveys our basic understanding and the principles at the heart of our sustainability activities. It also shows the fields of action within our core line of business, which are the areas where we believe we have a responsibility to act. This is where we aim to enhance value added for our customers in various ways, one of which is our sustainability management system.

**Along with our strategic focal points – Transform, Grow, Improve, Expand and Innovate – thinking and acting in a sustainable way enhances the value of METRO GROUP for our customers, employees, suppliers, shareholders and investors. In short, for society and environment.**



Our next step is to use this report to offer a preview of our sustainability concept for 2012, which lays the foundations for the further development of our sustainability management system in the future. In doing so, we will draw on our experiences to date and build on existing projects that are already enabling us to make a contribution towards sustainable business.

Read on to find out more about our approach to socially and ecologically responsible business. We hope you find the report interesting and informative.

FOR METRO GROUP,  
OUR SALES DIVISIONS AND OUR COLLEAGUES  
DÜSSELDORF, MAY 2012



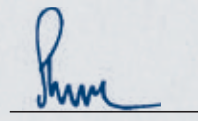
**OLAF KOCH**  
CHAIRMAN OF THE  
MANAGEMENT BOARD OF  
METRO AG



**MARK FRESE**  
CHIEF FINANCIAL  
OFFICER



**HEIKO HUTMACHER**  
MEMBER OF THE MANAGEMENT  
BOARD, RESPONSIBLE FOR  
HUMAN RESOURCES



**FRANS W. H. MULLER**  
MEMBER OF THE  
MANAGEMENT BOARD

#### OUR INTERNATIONAL SUCCESS HAS A STRONG BASE

280,856 DEDICATED EMPLOYEES AT MORE THAN 2,100 LOCATIONS IN 33 COUNTRIES. STRONG SALES BRANDS WITH A COMPREHENSIVE SERVICE SPECTRUM AND CONVINCING CONCEPTS: WHOLESALE STORES, HYPERMARKETS, CONSUMER ELECTRONICS STORES, ONLINE STORES, DEPARTMENT STORES AND REAL ESTATE MANAGEMENT. THIS IS THE DIVERSITY OF METRO GROUP.





# MADE TO TRADE

## METRO GROUP'S STRUCTURE

With approximately 280,000 employees in 33 countries, METRO GROUP is one of the most important international retail and wholesale companies in the world. The Group's parent company is METRO AG, its central management holding company.

Our four sales divisions are responsible for the operating business. They offer private and business customers a variety of goods and services tailored to their specific shopping habits. All of the sales divisions have sole responsibility for their entire supply chain – from procurement to logistics and sales. The Company's real estate portfolio is managed by METRO PROPERTIES. Service companies provide METRO GROUP with comprehensive support.

**Metro Cash & Carry** is the leading international cash & carry wholesaler. Its brands Metro and Makro operate in 30 countries throughout Europe, Asia and Africa. The wholesale stores' range of products and services is geared specifically towards the needs of business owners. Its main customers are hoteliers, restaurateurs, catering firms, independent retailers, service providers and public authorities.

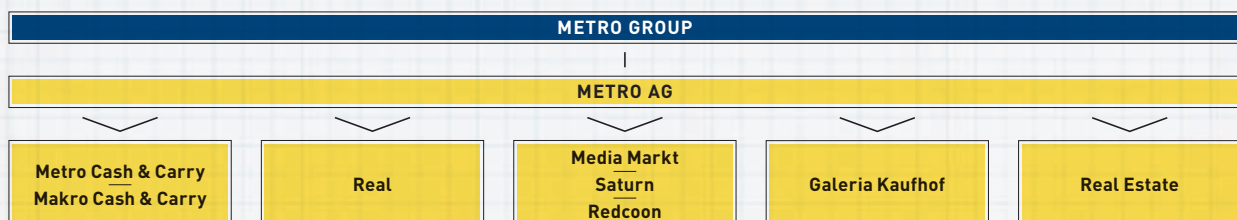
**Real** is one of Germany's leading hypermarket chains. The sales division also has stores in Poland, Romania, Russia, Turkey and Ukraine. All of its hypermarkets offer a large percentage of high-quality fresh produce, a varied nonfood range and good value for money.

**Media-Saturn** is Europe's No. 1 consumer electronics retailer. The sales division's retail brands Media Markt and Saturn are represented in 16 different countries. The pure play online retailer Redcoon, which has been part of Media-Saturn since 2011, distributes products in ten countries. A decentralised organisational structure, attractive offers, dedicated staff and innovative marketing all contribute towards the sales division's success.

**Galeria Kaufhof** is one of the leading department store operators in Europe with locations in Germany and in Belgium, where the sales division is known as Galeria Inno. All of its stores boast highly competitive, international product ranges and high-quality own brands twinned with event-orientated product presentation. Galeria Kaufhof is positioned as a modern retail brand with a distinctive profile.

**METRO PROPERTIES** is METRO GROUP's real estate company. It is responsible for managing the world's most international portfolio of retail and wholesale properties spanning some 30 different countries. METRO PROPERTIES' prime objective is to increase the value of the Group's real estate assets long term by means of active, strategic portfolio management. Its services include the identification of new sites, the development and construction of retail/wholesale properties and energy management for the sales outlets.

## OVERVIEW OF METRO GROUP AND ITS SEGMENTS







METRO GROUP 2011

## SELECTED EVENTS

# REVIEW OF 2011

N 103

SELECTED EVENTS FROM THE REPORTING PERIOD 2011

## Certified quality

**01/2011:** The subsidiaries METRO GROUP Energy Production & Management (MEM) – now METRO PROPERTIES Energy Management – and METRO GROUP Energy Solutions (MES) were certified according to the standards ISO 9001 (quality management systems) and EN 16001 (energy management systems). METRO Group Asset Management Poland – now METRO PROPERTIES Poland – was certified in line with ISO 9001 and ISO 14001 (environmental management systems).

## Ban on sandblasted clothing

**02/2011:** METRO GROUP and its sales divisions issued a Group-wide ban on the procurement of sandblasted denim. The ban applies to all orders placed by any sales division with existing or new suppliers.



## Sustainably managed business

**02/2011:** oekom research, one of the world's leading rating agencies in the field of sustainable investments, named

METRO GROUP a sustainably managed business for the first time and awarded the Company Prime status. This serves to recommend the retail and wholesale company to investors who attach special importance to ecological and social ethics.

## Top German employer 2011

**03/2011:** The CRF Institute (Corporate Research Foundation) acknowledged METRO GROUP for its outstanding human resources management. Every year since 2003, the institute has awarded its stamp of approval to companies with excellent HR strategies and practices.

## Award for fair employment

**04/2011:** The service sector union Verdi presented two Real stores in Hamburg with the "Handeln ausgezeichnet 2011" award. Both hypermarkets fulfilled all six criteria for fair employment defined by Verdi as part of a nationwide retail campaign in Germany.

## International sponsor

**05/2011:** METRO GROUP was the international sponsor for the Eurovision Song Contest with its sales brands Metro Cash & Carry, Saturn and Galeria Kaufhof. Metro Cash & Carry was also one of the event's chosen suppliers.

## Certificate for family-friendly human resources policy

**05/2011:** For the second time since 2007, METRO GROUP's Düsseldorf Campus was awarded the "audit berufundfamilie" certificate for family-friendly employers.

## Successful energy-saving campaign

**06/2011:** The Media-Saturn campaign "SPAR MAL WAT(T)" was nominated for the German Prize for Business Communication. The project aimed to encourage employees to use energy responsibly and thereby slash power usage.



## Partnership with food banks extended

**06/2011:** METRO GROUP renewed its commitment as the main sponsor of Germany's food bank organisation. The retail and wholesale company extended its financial support for Bundesverband Deutsche Tafel e. V. by further three years.

## "Shopping for all generations" at Galeria Kaufhof

**07/2011:** The quality badge "Generationenfreundliches Einkaufen" (Shopping for all generations) was awarded to two of the department store chain's outlets in Düsseldorf and its shops in Leipzig and Freiburg. An impressive 56 of the sales division's





METRO GROUP 2011

## SELECTED EVENTS

stores had been granted the certificate by the end of 2011.



### **Corporate Responsibility unit established at Real**

**07/2011:** The new unit pools and coordinates all social and ecological activities at Real. Cross-divisional projects are divided into four fields of action: supply chain, energy and the environment, employees and corporate culture, and customers and society.

### **Galeria Kaufhof's climate target raised**

**08/2011:** Galeria Kaufhof succeeded in reducing its climate impact per square metre of selling space by 28 percent since 2006, meaning it has already exceeded its climate protection target. The company stepped up its commitment even further and raised its climate protection target to 40 percent by 2015.

### **Cooperation with UNIDO expanded**

**09/2011:** The United Nations Industrial Development Organization (UNIDO) and METRO GROUP strengthened their commitment to more efficient supply chains and improved food supplies. In 2011, the partners launched training programmes for farmers and suppliers in India and Russia.

### **Purchasing guidelines for fish**

**09/2011:** METRO GROUP established a Group-wide purchasing policy for fish to protect global fish stocks. The guidelines define the criteria that apply to fish procurement and contain general rules for all sales divisions and national organisations within the retail and wholesale group.

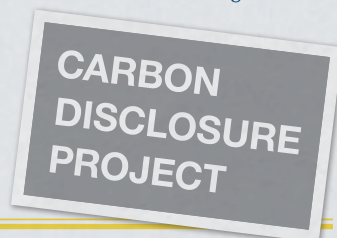


### **DJSI World listing**

**09/2011:** METRO GROUP was again listed in the Dow Jones Sustainability Index World (DJSI World). The index includes companies that outperform the rest of their sector in ecological, social and commercial terms.

### **Inclusion in the Carbon Disclosure Leadership Index**

**09/2011:** The Carbon Disclosure Project (CDP) included METRO GROUP in the Global 500 Carbon Disclosure Leadership Index. This index highlights firms that take a highly professional approach to publishing information about climate change.



### **Galeria Kaufhof and Real acknowledged as sustainable retailers**

**09/2011:** The consumer organisation VERBRAUCHER INITIATIVE e. V. awarded prizes

to Galeria Kaufhof GmbH and Real as "Sustainable companies 2011". Galeria Kaufhof took a silver medal for its dedication to environmental and social ethics within its textile product ranges, Real was awarded silver for food and bronze for textiles.



### **PR prize for compliance campaign**

**10/2011:** The PR experts from Deutsche Public Relations Gesellschaft e. V. (DPRG) and F.A.Z.-Institut honoured METRO GROUP's compliance communications. The retail and wholesale company was awarded the International German PR Award 2011 in the internal communications category for its Group-wide campaign "einfach richtig" (simply right).

### **Voluntary commitment to female managers**

**10/2011:** METRO GROUP pledged to increase the percentage of women in managerial positions around the world to 20 percent by the end of 2013 and to 25 percent by the end of 2015. 2011 serves as the reference year (19.2 percent).

### **Award-winning energy management**

**10/2011:** The EHI Retail Institute presented its Energy Management Award 2011 to Metro Cash & Carry Germany. The sales division was awarded a special prize for outstanding technical achievements for a micro gas turbine that supplies the wholesale store in Schwelm with eco-friendly electricity, heat and commercial refrigeration.

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# METRO GROUP'S MISSION STATEMENT ON SUSTAINABILITY

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## OUR COMMITMENT TO SUSTAINABILITY

**L**ong-term economic growth can only be achieved if it is in harmony with a responsible approach to society and the environment. We fully endorse this principle of sustainability. It therefore acts as a framework for the five strategic focal points of our corporate strategy. In 2010, we initiated the "Go sustainable 2012" programme, which paved the way for integrating sustainability into our core business activities. In concrete terms, this means that all our commercial decisions and processes take ecological and social requirements into account, especially with a view to pressing global challenges. These include safeguarding food supplies, conserving resources, coping with demographic change and making consumption sustainable. For us as a retail and wholesale company, these challenges pose both opportunities and threats. We incorporated sustainability-related factors into our risk management system in the reporting year. This will enable us to prevent possible negative ramifications and identify positive trends at an early stage.

Product and environmental risks are among the aspects that are now monitored.

**W**e see it as our responsibility to make a sustainable contribution towards solving global challenges within the scope of our business activities. At the same time, we want to meet the increasing expectations of our various stakeholder groups with our commitment to sustainability. With all this in mind, we drew up a sustainability mission statement for our Company in 2011. It takes external requirements and global challenges into account and describes METRO GROUP's four fields of action and the way in which our sustainability management system is organised. Above all, however, it defines our understanding of sustainability, which is the basis for our actions.

**B**uilding on the sustainability mission statement, the Management Board of METRO AG will develop a sustainability vision for the Group in 2012. This will underline the strategic importance of this issue and further sharpen our sustainability profile. The sustainability vision will be managed at strategic level and translated into sales-specific strategies, enabling it to filter through into the sales divisions' core business.

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## Our definition of sustainability

As a reliable partner for our customers and suppliers, we want to do business in a way that enables us to cater for the needs of future generations.

### Motivation

We believe that adopting a sustainability policy that incorporates economic, environmental and social factors into our core business activities enables us to permanently secure our competitive position. Specifically, we want to:

#### Effectively capitalise on opportunities and advantages

- Utilise growth opportunities that present themselves when we improve our sustainability activities or tap new product segments, markets and customer groups, for example.
- Reliably provide a sustainable product range that meets customers' needs.
- Make full use of potential cost savings.

#### Identify risks early on and prevent negative consequences

- Permanently safeguard the availability of resources and goods.
- Establish quality, environmental and social standards to reduce the risks to our reputation and commercial success.
- Reduce the impact of impending expenses arising, for instance, from soaring energy and commodity prices.

#### Strengthen our reputation and confidence in our Company

- Improve our competitive position and give ourselves greater scope for action by sharpening our stakeholders' perception of METRO GROUP as a responsible company.
- Manage society's expectations by means of constructive dialogue with our stakeholders and heighten their acceptance.
- Generate social value added via our commitment to our locations' attractiveness and competitiveness as a responsible corporate citizen.

## Principles and guidelines

We have adopted the following principles, which shape the way in which we anchor our sustainability concept in day-to-day Company operations:

- **Economic feasibility:** We maintain a balance between the economic demands of our core line of business and exacting ecological and social standards.
- **Materiality:** Our work identifies and focuses on aspects of sustainability that are strategically relevant for our core business activities. Information is provided about factors our customers and stakeholders deem relevant to their decision-making.
- **Responsibility:** Codes of conduct and duty of care guidelines result in clearly defined responsibilities within the Group for the operational implementation, further development and improvement of our sustainability performance.
- **Spirit of partnership:** We engage in open, constructive dialogue with all stakeholder groups. Whenever possible, we collaborate with national and international organisations to make our sustainability measures more effective.
- **Ongoing improvements:** Our sustainability targets are specific, quantifiable and of prime importance. We regularly publish details of the progress we have made and set ourselves new targets when existing ones are achieved.

These principles are supplemented by specific guidelines that are tailored optimally to the requirements of our operating business. We are also guided by established external sustainability guidelines, such as those published by the UN Global Compact, the OECD or the International Labour Organization (ILO). It is crucial for the Company's long-term credibility that we consistently uphold these sustainability guidelines and principles and act on them in a verifiable fashion.

<sup>1</sup> We define our stakeholders as employees, customers, capital market operators, policy makers, the media and non-governmental organisations

## Our fields of action

Against the backdrop of global social and ecological challenges and our stakeholders' various expectations, we have identified four Company-wide fields of action for our sustainability commitment:

- **Supply chain and products**
- **Energy and resource management**
- **Employees and social affairs**
- **Social policies and stakeholder dialogue**

These fields of action cover the whole supply chain and the many points at which METRO GROUP interfaces with society. They clearly show where we have the greatest influence over sustainability-related processes.

### Supply chain and products

As well as distributing brand products, METRO GROUP markets a large number of high-quality own-brand items for which it is directly responsible at product level. In addition to guaranteeing flawless product quality, our suppliers have to comply with environmental standards and ensure that fair, humane working conditions are in place.

The following aspects are relevant in this context:

- Conserving resources, ethical procurement and production.
- Traceable raw materials and processing stages.

### Energy and resource management

The production, distribution and use of the goods we sell are associated with different environmental aspects throughout the supply chain. As a retail and wholesale company, we have a special responsibility for utilising finite resources carefully and reducing climate-relevant emissions, especially at our stores and in our own logistics processes.

The following aspects are relevant in this context:

- Recording greenhouse gas emissions within our carbon footprint reporting.
- Energy-efficient processes and the enhancement of employees' energy skills.
- Waste and packaging management.

## Employees and social affairs

Our customers' individual requirements are at the heart of everything we do. That is why we need dedicated employees who put this pledge into practice every day. We have therefore adopted a forward-looking, caring human resources policy with the goal of attracting, developing and retaining enough qualified staff within the international competitive environment.

The following aspects are relevant in this context:

- Compliance with human rights and international working standards.
- Promoting diversity and equal opportunities.
- Occupational health and safety, health management.
- Consistent training and continuing professional development.

### Social policies and stakeholder dialogue

METRO GROUP is part of society, be it as a partner engaged in economic and sociopolitical dialogue, an employer, a supporter of the local region, or a supplier of a wide range of products for its customers. Accordingly the Group is confronted with various stakeholder expectations. Assessing these expectations gives us important input for our sustainability management and helps us to make it more effective. As key opinion shapers and representatives of METRO GROUP, our staff play a major role in communicating our messages to the wider public. They deal directly with our customers and suppliers and therefore receive important feedback every day, which we use to further optimise our range of products and services.

The following aspects are relevant in this context:

- Transparent, open dialogue with all stakeholder groups.
- Shaping new networks and partnerships of shared responsibility.

Within the above-mentioned fields of action, the sales divisions define their own issues and targets in line with their specific operational requirements. This set of issues and targets forms the basis for making ongoing improvements to our Group-wide sustainability performance. As part of our sustainability management throughout the Group, we record relevant activities, chart developments, document the implementation of measures, and communicate all this to both internal and external stakeholders using tools such as our sustainability report.



# OUR APPROACH

# 1



# GLOBAL CHALLENGES

METRO GROUP HAS IDENTIFIED FOUR GLOBAL CHALLENGES THAT HAVE A DIRECT IMPACT ON ITS CORE LINE OF BUSINESS AND PRESENT BOTH OPPORTUNITIES AND THREATS FOR ITS OPERATING ACTIVITIES. IT IS CRUCIAL TO RECOGNISE THE RELATIONSHIP BETWEEN CAUSE AND EFFECT IN ORDER TO MINIMISE THE THREATS AND TO MAKE USE OF THE OPPORTUNITIES. DOING THIS IS ABSOLUTELY ESSENTIAL IF WE ARE TO DEVELOP TARGETED MEASURES TO OVERCOME THESE CHALLENGES.



- ONE -

## SAFEGUARDING FOOD SUPPLIES



**A**s the world population grows, it is increasingly important for us to safeguard the supply of food through farming and fishing. A study by the Food and Agriculture Organization of the United Nations (FAO) estimates that a 60 to 70 percent increase in food production is needed by 2050 in order to safeguard food supplies. The environmental impact of intensifying primary production restricts the use of soils and inshore waters and threatens the ability of whole ecosystems to function. This situation is further exacerbated by the use of land that is suitable for food production to grow crops for industrial processing and energy. Against this backdrop, METRO GROUP is dedicated to boosting yields per acre whilst conserving resources throughout the supply chain. Reducing food waste is another priority. Optimising production methods sustainably increases the crop harvested from the same amount of land. Improving processing also ups the amount of marketable produce. Sophisticated logistical and ordering systems help to decrease food waste en route from the field to the store. Responsible product range management, packaging and consumer information also minimise the spoilage of edible produce.



- TWO -

## CONSERVING RESOURCES



**P**opulation growth and increasing industrialisation around the world – including in developing countries – are prompting the demand for goods and services to rise. Pressure on both finite and renewable resources is increasing. These resources include energy carriers, metals, wood and food. In the case of finite resources, this places a strain on dwindling supplies and prompts new, previously inaccessible sources to be tapped. This has drastic consequences for ecosystems: a reduction in biodiversity, droughts, erosion and flooding. All of this in turn makes it more difficult to grow and use renewable agricultural commodities. METRO GROUP takes a three-pronged approach to supporting efforts to deal with our dependence on finite resources and the fundamental threat to renewable processes. One aspect is managing energy use and logistics: we take steps to increase energy efficiency and use renewables. Furthermore, we promote the conservation of resources at product level by developing optimised manufacturing standards and pursuing sustainable procurement strategies. The volume of resources used can be reduced by means of efficient, cyclical process structures and by reusing and recycling materials. And last but not least, proactive waste management helps to reduce unused materials.





- THREE -

## DEMOGRAPHIC CHANGE



**D**emographic change is bringing about structural shifts in society all around the world. While stagnating birth rates in Europe are prompting the continent's population to age and shrink, the developing countries are experiencing a baby boom, which is driving up migration. For the European labour market, this means that there are fewer people of working age in many countries. At the same time, young people from developing countries are flooding the global labour market. Companies face the worldwide challenge of coping with this profound shift – for example by adopting a responsible human resources policy, enabling older employees to keep working and offering professionals and junior staff the necessary development opportunities. METRO GROUP takes a modern approach to human resources management with individual working and career options tailored to its employees' needs. Consumers' expectations are also shifting due to demographic change. This poses another challenge for businesses, especially in the trade sector. In established markets, companies have to reconcile the needs of ageing consumers with those of younger shoppers. To capitalise on the potential presented by this trend, METRO GROUP's sales divisions are proactively adjusting their concepts, product ranges and marketing strategies to meet local customers' expectations.



- FOUR -

## SUSTAINABLE CONSUMPTION



**L**ooking at the big picture makes it clear how much the above-mentioned challenges affect one another and the extent to which they are related to the usage and consumption of commodities, goods and services. The fundamental purpose of trade and retail is to offer shoppers goods how and where they need and want them. The issues of safeguarding food supplies, conserving resources, and demographic changes in consumer structures have a major impact on how products should be made in the future and the way in which they can be supplied. At the same time, consumption patterns – i.e. consumers' use of goods and services – has to change in order to cushion negative developments and promote positive trends. METRO GROUP stimulates sustainable consumption by aligning its product ranges with sustainability criteria, guaranteeing traceability in the supply chain and proactively providing consumers with information using tools such as labelling and seals. Working with partners and maintaining dialogue with customers, experts and advocacy groups also helps to make supply chain structures and consumption more sustainable.





- 2011 -  
METRO GROUP

# SUPPLY CHAIN AND PRODUCTS



- 2011 -  
METRO GROUP

## RESPONSIBLE TRADE



N 106

AS A RETAIL AND WHOLESALE COMPANY, METRO GROUP TAKES OVER RESPONSIBILITY REGARDING ITS PRODUCTS AND SUPPLY CHAIN. OUR AIM IS TO INFORM CUSTOMERS, MAKE SHOPPING SUSTAINABLE AND WORK CLOSELY WITH SUPPLIERS.



**W**hen it comes to our own-brand ranges, we have a particular responsibility to offer as many sustainable products as possible and provide our customers with comprehensive information. Seals and product labelling are just two of the ways in which we provide information about the production methods used for specific items. For instance, Makro Cash & Carry Netherlands has been selling more than 40 sustainable varieties of tea and coffee under its own brand Rioba since 2011. Customers can also choose fair-trade tea or coffee with the Rainforest Alliance's green frog seal. This indicates that products have been manufactured in a way that respects sensitive ecosystems. Galeria Kaufhof offers a total of 50 different items made from skin-friendly, organic cotton in its own-brand Galeria Home ranges of bed linen, bedding and towels. The company is also sharpening its focus on sustainability in its baby clothing range. In 2011, it launched 34 items made from organic cotton under its own brand Bob der Bär. Most of these products are also certified in line with the Global Organic Textile Standard (GOTS) for environmentally and socially ethical fabrics.







### ***Group-wide purchasing policy for fish***

Extensive use is made of careful checks combined with corresponding product labelling for fish, an important food resource. Our approach is based on internationally recognised quality standards, such as those set by GLOBALG.A.P. The organisation develops voluntary standards for the certification of agricultural products on a global scale and is currently also forging ahead with the certification of sustainable aquaculture. From June 2011 until June 2012, Real Germany and most of the countries where Metro Cash & Carry International operates are taking part in a joint purchasing project and selling GLOBALG.A.P.-certified frozen pangasius as part of their own-brand ranges. The amount of certified fish sold in this way corresponds to around 40 percent of the volume of frozen pangasius purchased worldwide by Metro Cash & Carry International and Real Germany.

To promote global standards and support sustainable fisheries and aquafarms, we approved a Group-wide fish purchasing policy in September 2011. METRO GROUP's sales divisions have added their own guidelines to tailor the overall policy to their specific areas of business and are implementing it step by step. The range of sustainably sourced fish will be extended further. Around the world, the sales divisions Metro Cash & Carry, Real and Galeria Kaufhof currently market more than 110 Marine Stewardship Council-certified (MSC) fish products under their own brands.

### ***Efficient procurement***

So as to cater for the needs of professional customers and further ramp up its collaboration with local producers, Metro Cash & Carry has optimised its purchasing strategy for ultra-fresh prod-

uce such as fruit, vegetables, fish and meat. To strengthen smaller-scale producers in particular, the company will disestablish end-of-year refunds for these product groups as of 2012. In the future, 13 central purchasing offices will oversee the procurement of certain product groups. Four of these buying offices – Valencia, Rotterdam, Boston and Antalya – have already opened. The fruit and vegetable logistics platform linked with the procurement centre in Antalya was also certified in line with the International Featured Standard (IFS) Logistics Standard in 2011. This guarantees that its processes comply with the highest standards of quality.

The company is also making its procurement structures in developing countries more sustainable by setting up local collection centres for farmers. Metro Cash & Carry established centres of this kind in the Indian states of Andhra Pradesh, Karnataka, West Bengal and Punjab in 2011. As the centres are close to the areas where produce is grown, fruit is now delivered to stores less than 15 hours after it was picked. This process previously took 36 hours. Customers can buy high-quality, fresh fruit and vegetables as a result. This minimises the amount of food going off on its way from the field to the store.

### ***Strengthening regional suppliers and farmers***

We are taking targeted action to strengthen our local suppliers and encourage consumers to buy regional products. One such initiative is the project “Produceți românește, vindem românește!” – “Grow Romanian products, we sell Romanian products!” – which was launched by Real Romania in 2011. In Romania, Real was also the first retailer to organise supplier shows for traditional and organic products

at its hypermarkets. Up to 130 growers had the opportunity to present and sell their products directly to Real customers at each event.

Other Metro companies are successfully following this good example. In November 2011, 44 Metro Cash & Carry wholesale stores in 38 Russian cities held a regional suppliers' event. Meanwhile, Makro Cash & Carry Egypt sold its entire range of fresh fruit and vegetables at cost price for two days in December 2011. This special offer was the company's way of supporting a “Buy Egyptian” campaign initiated by a TV channel.

### ***Complete, transparent traceability***

At some point, it should be possible to trace the origins of all goods throughout the supply chain to the same extent that regional products can currently be tracked. With this goal in mind, we are committed to introducing modern technical methods of product labelling. These include, for example, SGTIN labelling (Serialized Global Trade Item Number), which encodes additional information about the best before date or weight of a product. The data carriers used to label goods or objects allow items to be clearly identified anywhere in the world. Interested members of the public can experience the practical advantages of traceability and its benefits for customers at the 1919 Traceability Bistro in Shanghai, China. The bistro, which is supplied by Metro Cash & Carry, is an example of best practice for food safety. Most of its dishes are prepared using traceable food. This ensures that food is transported from field to fork in a transparent process and also guarantees that it is 100 percent safe and fresh.



# OTHER PROJECTS AND MEASURES



## – METRO GROUP –

### ***Supplier development and safeguarding food supplies***

METRO GROUP suppliers have to meet high quality requirements and comply with environmental and social standards. We offer various training programmes to support them, including measures that help to reduce post-harvest losses by up to 40 percent. As this means the growers have more marketable produce, this also improves their income. These projects are run in conjunction with strategic partners from the development sector, such as the United Nations Industrial Development Organization (UNIDO), the German Society for International Cooperation (GIZ) and the International Finance Corporation (IFC).

We also collaborate with business partners. In 2011, we initiated a food chain partnership with Bayer CropScience, which aims to promote sustainable farming for both food and nonfood crops. The project is based on joint initiatives that have been successfully implemented for farmers in India and China in the past.



## – GALERIA KAUFHOF –

### ***Clarity in the labelling jungle***

Galeria Kaufhof introduced a new “Natürlich Galeria” (Naturally Galeria) logo in autumn 2011, which aims to make it easier for customers to choose more sustainable products. Items with the icon have been manufactured in line with strict environmental or social ethics – often both. The green leaf logo with the “Natürlich Galeria” lettering is used for products that comply with recognised standards, including the Global Organic Textile Standard (GOTS), the NATRUE symbol for natural and organic cosmetics, the Forest Stewardship Council® (FSC®) label and the Blue Angel. “Natürlich Galeria” is used in the department stores’ advertising, on in-store signs and – in some cases – on products to give customers guidance. Galeria Kaufhof’s range of sustainable products currently consists of over 4,000 articles and more are constantly being added.



## – REAL –

### ***New Corporate Responsibility unit***

All METRO GROUP sales divisions have named sustainability officers to instil a systematic approach to sustainability management. In July 2011, Real also established a new Corporate Responsibility unit, which pools and coordinates all social and ecological activities and drives forward Real's sustainability initiatives. This went hand in hand with the launch of a new intranet page that introduces staff to the issue of sustainability. In addition to this, customers are given information about the wide range of products manufactured in line with environmentally and socially responsible standards. Real describes auditing processes online and shows which steps the company is taking to comply with its purchasing guidelines and uphold its high social, ethical and environmental standards.

Regionality is one of the focal points of Real's sustainability commitment. The company offers its customers in Germany a variety of different regional products. This shortens transportation routes and ensures that produce is fresh. Some 70 percent of the goods sold at Real's fresh meat counters are sourced locally. Regional produce can also be found in the stores' fruit and vegetable departments: apples, potatoes, stone fruit and root vegetables in particular are grown in 54 local production areas. For example direct supply agreements for strawberries were signed with 165 Real hypermarkets in 2011. Real hopes to establish additional supply relationships with more than 40 local fruit and vegetable producers by the end of 2012 with the aim of becoming a reliable source of local fresh produce.



## – METRO CASH & CARRY –

### ***Meat warehouse in Groß-Gerau***

A central supply system for national and international fresh meat was set up at the beginning of 2012 for Metro Cash & Carry Germany and C+C Schaper. The wholesalers' 108 locations are now supplied via the meat warehouse in Groß-Gerau, which is right next to the fish centre that opened close to Frankfurt Airport in 2010. Some 300 tonnes of meat are dispatched to the wholesale stores every week from the warehouse.

Orders of meat and fish can now be transported together in a single truck while still complying with hygiene requirements and being stored separately. This allows order volumes and work for the store to be pooled, reduces the cost of deliveries and makes minimum order quantities for both meat and fish superfluous.

As these ordering systems take account of the stores' actual needs, less produce is written off, which also makes for less waste. In addition to this, the optimised delivery routes cut the amount of diesel used for transport.







METRO GROUP 2011

ENERGY AND RESOURCE MANAGEMENT

OUR APPROACH

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METRO GROUP

# ENERGY AND RESOURCE MANAGEMENT

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## EFFICIENT OPERATIONS

TARGETED ENERGY AND RESOURCE MANAGEMENT ENABLES  
METRO GROUP TO ASSESS ALTERNATIVES AND CONDUCT ITS  
BUSINESS SUSTAINABLY AND EFFICIENTLY.



Conserving resources, protecting the climate and increasing energy efficiency are not just top priorities in the political arena. These challenges also have a direct impact on our Company's core line of business – from energy management for our stores, outlets and administration offices to the use of raw materials for our products and our responsibility throughout the supply chain. Our energy and resource management efforts strive to identify alterable factors within the Company that could have a negative impact on the climate and to promote climate and environmental protection. The first step within this process is to pinpoint efficiency potential. Building on this, we can proactively optimise the energy consumption of existing properties, implement innovative concepts and make greater use of technology that harnesses renewable energies in new builds. To achieve this, we have launched an additional, international energy-saving programme for the period from 2011 to 2014. As part of this scheme, the sales divisions Metro Cash & Carry, Real and Galeria Kaufhof are drawing up ways of successfully saving energy within a relatively short time frame. The project rolled out by a Real hypermarket in Passau is a good example of one such measure. Staff at the hypermarket managed to reduce energy usage by making comparatively small changes, such as fitting timers. The changes are saving the store around €11,000 per year, which is equivalent to





almost 44 tonnes of CO<sub>2</sub><sup>2</sup>. In the course of the programme, T8 fluorescent tubes will be replaced with energy-saving T8 ECO tubes at outlets and stores. Heating and ventilation systems will also be replaced or optimised. Simply by changing our strip lighting, we were able to reduce electricity consumption at 128 of our sales brands' stores by a total of 18,228 MWh between 2010 and 2011. The stores will use an energy management system to monitor and check their lower usage in the future.

### ***Sustainable energy management***

We use state-of-the-art measurement technology to gauge our stores' usage of electricity, gas and heating oil on an ongoing basis outlining actual consumption. This enables us to identify concrete energy-saving potential. By the end of 2011, we had installed digital smart metering systems at approximately 1,700 stores and outlets around the world – that is about 80 percent of our locations. However, saving energy is not our only objective. We also want to lessen our dependency on finite resources such as oil and gas in the long run. For this reason, we are already making targeted use of renewable energies at several locations. Metro Cash & Carry is particularly active in ramping up its use of renewables on an international scale too. It has been operating solar thermal systems, a micro gas turbine and photovoltaic arrays for several years now. In 2012, 10 percent of the power used by the sales divisions Metro Cash & Carry, Real and Galeria Kaufhof in Germany will consist of green electricity produced solely using regenerative sources of energy. Due to the difficult climate in Eastern Europe and Asia – along with longer shop opening times in these regions – energy consumption is higher at our locations there than in Germany and the rest of Western Europe, despite the

use of efficient technology. Our expansion in these areas will therefore drive up METRO GROUP's average energy consumption, in spite of countless efforts to improve efficiency.

### ***Conserving resources in the supply chain***



In addition to this, our resource management system examines aspects such as raw materials production, efficient utilisation and waste disposal within the supply chain. As well as considering whether raw materials can be replaced with more eco-friendly substitutes, we consider products' environmental impact by analysing their life cycles. In concrete terms, this means that we analyse and assess environmental factors during the manufacturing, use and disposal of products. Metro Cash & Carry Pakistan completed an exemplary project in the field of resource conservation during the reporting year. The cash & carry wholesaler switched to reusable fabric shoppers made from rice fibres and paper carriers instead of conventional plastic bags. As part of its "REthink, REduce, REuse" initiative, the Asian country's wholesale stores gave their customers approximately 140,000 fabric shoppers and almost 90,000 paper carriers in 2011. By way of comparison, over 964,000 plastic bags were handed out in 2010. Metro Cash & Carry Pakistan is making an important contribution to-

wards conserving resources with this move. At the same time, the initiative will help to reduce waste and environmental pollution caused, for example, when plastic bags are blown out to sea.

### ***Web-based data collection***

METRO GROUP has been publishing its carbon footprint since 2008. In 2011 we launched a comprehensive data collection and calculation system for CO<sub>2</sub> emissions. This will enable the Company to effectively oversee the many energy and resource management measures it is taking. The Web-based program records and processes all the factors relevant to emissions. Besides energy usage, these include, for example, the diesel we use for logistics, coolants for our refrigerators and the paper needed for advertising. Starting in 2013, we will keep even more detailed records, listing energy consumption per location throughout the Group, for instance.

### ***Acknowledged by the capital market***

We have also managed to impress the capital market with these targeted measures at our locations. In 2011, METRO GROUP was listed in the Global 500 Carbon Disclosure Leadership Index for the first time. One year earlier, the Group was accepted into the Germany 200 Carbon Disclosure Leadership Index as part of the Carbon Disclosure Project (CDP). The independent organisation CDP aims to make the way in which companies report climate-relevant data transparent. The Global 500 report includes just 52 of the world's 500 largest corporations. It highlights those companies that are taking the most professional group management approach to publishing information about climate change.



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# METRO GROUP'S CARBON FOOTPRINT



**M**ETRO GROUP has been publishing its carbon footprint since 2008. The Company's aim is to bring about a 15 percent reduction in damaging greenhouse gas emissions per square metre of selling space by 2015. 2006 serves as the reference year. Both the carbon footprint and the target relate to the following emission sources: energy, logistics, paper, business travel and refrigerants. The corresponding emissions are converted into CO<sub>2</sub> equivalents. As well as being audited in-house, our carbon footprint underwent an operational audit by KPMG AG in 2011 to further enhance the transparency and credibility of our data quality.

## ***Greenhouse Gas Protocol and more extensive reporting***

In 2011, METRO GROUP extended its carbon footprint reporting commitments. It now complies with the international Greenhouse Gas (GHG) Protocol standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The Group is thereby meeting demands for international comparability by providing standardised data in its reports. As a result of this amendment, the scope of the carbon footprint was expanded by adding further categories to the existing emission sources. This is shown in the illustration to the right.

The Group amended its reporting because it wanted to make it easier to work towards its emissions targets – and thereby reduce operating costs – by making data collection more transparent and more comprehensive and by producing reports at regular intervals throughout the year. Starting in 2011, key emission sources and extended emission sources are reported on side by side, showing the old and new scope of the carbon footprint (see illustration). This will improve transparency and comparability.

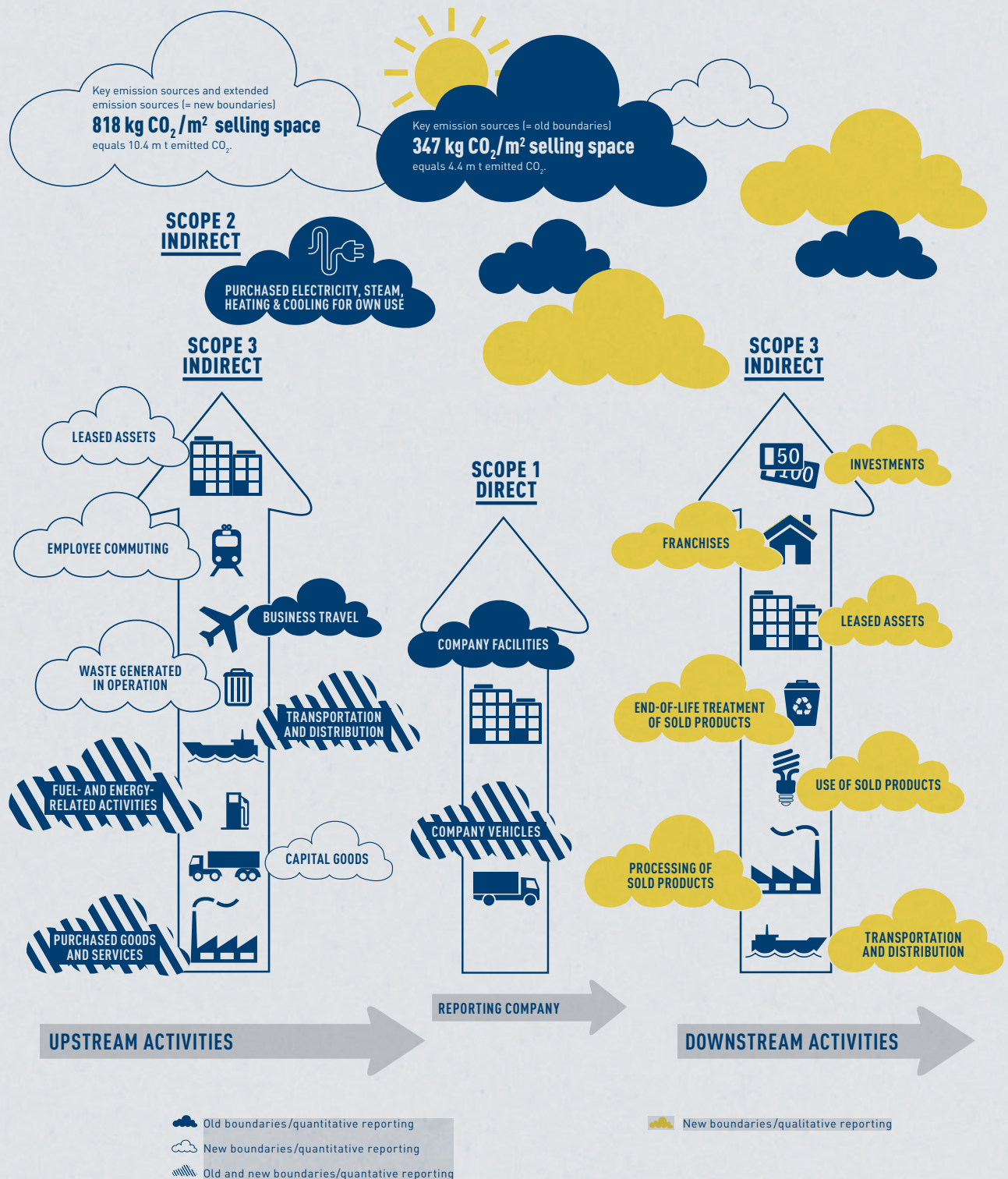
## ***Developments in 2011***

At the end of 2010, METRO GROUP's carbon footprint was 4.2 million tonnes. This meant the Company was already more than halfway towards achieving its CO<sub>2</sub> reduction target. METRO GROUP's carbon dioxide emissions totalled 4.4 million tonnes at the end of 2011. This increase is largely attributable to two factors: considerably more detailed reporting in line with the GHG Protocol and a change in our fundamentals. Adopting the GHG Protocol led to changes in our data collection and more concrete definitions of the report's scope and reference figures. The change in our fundamentals primarily drove up emissions generated by energy, refrigerants and logistics. There were several reasons for this development. For example, energy

consumption was higher due to extremely cold weather at the beginning of 2011 in Europe and the further expansion of the energy-intensive range of fresh and frozen produce stocked by our stores. This latter figure is not shown on a like-for-like basis in our carbon footprint. In order to maintain the quality of our extended range of fresh and frozen products, more of our lorries also had to be pre-cooled. It proved impossible to compensate for the associated diesel usage, despite converting our fleet of lorries in Germany almost completely to lower-emission Euro 5 models. Logistics-related CO<sub>2</sub> emissions also rose due to an increase in kilometres driven in the countries where we are expanding. As a rule, the store network is still less dense in these regions.

In 2011, we succeeded in aligning our reporting with the GHG Protocol, significantly optimising our data collection, and redefining our carbon footprint's scope and reference figures. At the same time, however, the data trend in 2011 makes it much clearer where we need to make further improvements. To ramp up our efforts to reduce the impact of our business activities on the climate, we will tailor the corresponding measures even more closely to developments in our operations as of 2012. We will also keep enhancing our Group-wide reduction management system. ■







# OTHER PROJECTS AND MEASURES



## – MEDIA-SATURN –

### *Smart metering provides sound data basis*

**E**lectricity usage accounts for approximately 90 percent of Media-Saturn's energy requirements and is therefore the largest single factor. In view of rising energy prices and finite resources, the sales division has set itself the goal of making greater use of its efficiency potential. As part of the company-wide energy-saving programme launched in 2008, the consumer electronics stores adopted the target of reducing their carbon footprint by 15 percent per square metre of selling space by 2020. A sound data basis is the first step in this process, and the sales division achieves this by using digital energy meters and sensors to monitor both temperature and air quality. These smart metering systems constantly measure a site's electricity, gas, district heating/cooling and heating oil consumption, enabling immediate reaction to rising usage if necessary. Digital energy meters have been fitted at approximately 850 of the 893 stores worldwide since June 2011. This has enabled systems to be switched on and off in line with opening times and has also allowed the control parameters for the heating and ventilation equipment to be optimised. Analyses of 588 stores from 2008 to 2011 show that this has slashed electricity consumption by 12.9 percent or 69,000 MWh. ■

## – REAL –

### *Responsible use of cleaning agents*

**R**eal Germany ensures that cleaning agents are used responsibly so as to conserve the environment and resources. The company has been running a pilot project at 39 stores since October 2011, which involves using four products in its fresh produce sections that have been awarded the EU Ecolabel or its Scandinavian equivalent, the Nordic Swan. These products are more readily biodegradable, offer more efficient cleaning, and have an optimum life cycle as regards their use of raw materials along with their formula, production, packaging, dosage, method of application, user safety and recycling. Thanks to new dosage aids and staff training on the correct use of these cleaning agents, the company uses considerably less detergent at its pilot stores than it did in the previous year. The new products are also more effective and more eco-friendly. Following the success of this initiative, the project will be rolled out nationwide in 2012. ■







## – METRO CASH & CARRY –

### *Sustainable building management*

**M**etro Cash & Carry gears its building management specifically towards sustainability criteria. Since 2011, possible energy efficiency measures have been examined for all new builds as well as when making alterations to existing properties. These include, for example, installing photovoltaic arrays on the wholesale stores' roofs.

The wholesaler is also leading by example with its use of energy-saving lighting. In August 2011, Metro Cash & Carry Vietnam fitted energy-saving solar tube lighting systems at a pilot store. By making greater use of daylight and regulating its heating/cooling, the company cut the store's energy consumption by a projected figure of around 154 MWh per annum. The new system will be installed at another store in Vietnam in 2012.

Meanwhile, Metro Cash & Carry Denmark is taking its sustainable building management one step further and having its stores independently audited in line with the internationally recognised environmental management standard ISO 14001. As well as looking at sustainable energy management, the assessments examine resource conservation, emissions reductions and risk limitation. All of the Danish stores were successfully re-audited. ■



## – GALERIA KAUFHOF –

### *Climate protection target for 2015 raised*

**I**n 2008, METRO GROUP pledged to reduce its specific greenhouse gas emissions by 15 percent per square metre of selling space until 2015 compared to the reference year of 2006. As the carbon footprint shows, Galeria Kaufhof had already lessened its climate impact by 28 percent by the end of 2010. For this reason, the sales division has raised its climate protection target. It now aims to improve its carbon footprint by 40 percent per square metre of selling space until 2015 (compared to 2006).

To achieve this ambitious objective, the company is further cutting its outlets' energy consumption and decreasing the amount of paper used for advertising. In 2011 and 2012, the handrail lighting on its escalators and the lights set into its stores' ceilings to create a "starry sky" effect will be replaced with LED technology. More than 110,000 fluorescent bulbs have already been swapped for more energy-efficient alternatives. In addition to this, Galeria Kaufhof has installed CO<sub>2</sub> sensors at 25 stores to date as part of its energy-saving drive. The sensors ensure that fresh air is supplied when it is needed. The various measures are starting to bear fruit: in 2011, the sales division drove down its specific energy usage per square metre of selling space by 3 percent at its outlets. ■







– 2011 –  
METRO GROUP

# EMPLOYEES AND SOCIAL AFFAIRS



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## JOINT ACTION

METRO GROUP HAS ADOPTED A RESPONSIBLE HUMAN RESOURCES POLICY AND SUCCEEDS IN REMAINING CAPABLE OF ACTION AND ADAPTABLE EVEN IN THE FAST-PACED RETAIL AND WHOLESALE INDUSTRY.



Our 280,856 employees play a major role in making METRO GROUP one of the world's leading retail and wholesale companies. The diverse range of qualifications and personalities within our workforce is also crucial to our success and enables us to respond to all sorts of different customer needs, develop new ideas and keep improving. Our forward-looking human resources policy aims to retain our existing staff, offer them ongoing development opportunities and fill the majority of managerial vacancies from within the Company. In the light of demographic change and the resulting competition for professionals and executives, we also want to inspire potential employees to choose METRO GROUP as a place to work.

### *Training and further development*

We proactively develop staff from within the Company to meet our staffing needs at professional and managerial level. Our staff development system starts with the vocational training offered within METRO GROUP and its sales divisions, both via the dual education system in Germany and by means of other country-specific forms of on-the-job training. In 2011, we had 9,891 trainees around the world.

With METRO University, we have also established a central platform for the development and training of our existing and prospective managers. We run spe-





METRO GROUP 2011

EMPLOYEES AND SOCIAL AFFAIRS

cial training programmes that help them to enhance their professional knowledge and give them the skills they need to meet the ever-changing demands of the retail and wholesale industry. In 2011, we extended the range of courses offered by METRO University to include current strategic approaches to managerial and staff development.

Because starting work is a crucial milestone in a young person's life, we also believe that it is our duty to offer disadvantaged young people a starting point for vocational training. In Germany, the sales divisions Metro Cash & Carry, Real and Galeria Kaufhof offer work experience placements and qualification schemes in conjunction with the Federal Employment Agency and training organisations for people with disabilities. They thereby help to provide training for young people who are struggling to find work, either due to a lack of qualifications or because of a disability. Since 2011, Metro Cash & Carry Germany has also been supporting the Christoph Metzelder Foundation, which initiates and runs school projects focusing on education, training and migration.

### ***Safe and healthy***

METRO GROUP makes it easier for its employees to stay fit for their day-to-day work and is committed to providing a safe, non-hazardous working environment. Its occupational health and safety

measures include preventing accidents – for example by bringing in safety experts to conduct workplace checks – providing special protective clothing at the sales brands' stores, and running first-aid courses so that help is on hand if something does happen. The GO health drive comprises the Group's initiatives to keep its employees healthy. These include advice on ergonomic working and nutrition, stress prevention programmes and sport/fitness courses. We also encourage our staff to eat a healthy, balanced diet. For instance, the canteens at METRO GROUP's Düsseldorf site have signed up to the JOB&FIT initiative operated by the Federal Ministry of Food, Agriculture and Consumer Protection. All JOB&FIT dishes on offer have been prepared in accordance with the quality standards for staff catering issued by the German Nutrition Society (DGE) since July 2011, when the canteens were also awarded the relevant certification. The meals are designed with a focus on factors such as nutritional balance, enjoyment and a zest for life.

### ***Work-life balance***

Many of our employees face the challenge of reconciling their work, family life and leisure time. We help them to do this in various ways, for example by offering flexible working models and a range of pension plans. In addition to this, our day care centres, holiday child-care and range of options for family carers – which go beyond those required by law – make it easier for our staff to meet their family commitments. In 2011, METRO GROUP's Düsseldorf Campus was awarded the "audit berufundfamilie" certificate for family-friendly employers by the charitable Hertie Foundation for the second time.

### ***Proactive ideas management***

To ensure our Company stays fit for the future, we must react quickly when our operating environment and customers' needs change. Our employees play a key role here. That is why we motivate them to help shape change and make an active contribution. Raising their awareness of sociopolitical issues and the challenges specific to our business enables them to proactively develop ideas that help improve our workflows and also benefit society and the environment. Our company suggestion scheme is a good example of how we do this. The sales division Real launched its own ideas management system in October 2011 by the name of "genial@real" (brilliant@real). This programme seeks to identify and acknowledge practicable solutions that optimise processes, reduce costs or increase customer satisfaction. Galeria Kaufhof also rewards employees who come up with good ideas. One such staff suggestion was to reduce the line spacing on till receipts to slash the amount of paper used by 25 to 30 percent.







# OTHER PROJECTS AND MEASURES



## – GALERIA KAUFHOF –

### *An attractive employer*

**G**aleria Kaufhof develops employees of all ages. More than 1,000 apprentices are currently completing one of seven vocational training courses or a combined vocational training und degree programme at the company. The sales division also values its more experienced staff: it makes sure that teams are made up of different age groups and endorses lifelong learning with a wide range of training measures. 40 percent of staff at Galeria Kaufhof are over the age of 50.

Galeria Kaufhof's attractiveness as an employer is quantifiable: on average, employees spend almost 20 years at the company. It is not rare for staff to celebrate 40 or 50 years with the retailer. In 2011, less than 5 percent of employees left Galeria Kaufhof. This puts its staff turnover well below the industry average, which is 12.6 percent according to a study by the management consultancy Kienbaum.



## – REAL –

### *Building up skills with Germany's knowledge factory*

**A**t the end of 2011, Real became the first retailer to join the education initiative "Wissensfabrik – Unternehmen für Deutschland e. V." (Knowledge factory – companies for Germany). The non-profit organisation sees knowledge as the key to commercial success and aims to help secure Germany's future by means of education. To this end, the platform brings together companies, educational institutions and initiatives that would like to share their skills in the fields of science, technology and business. The educational partnerships include everything from projects to promote early learning with nurseries and primary schools to helping young entrepreneurs act on their business ideas. Unlike the other programmes supported by Real, which focus on careers guidance for young people, the "Wissensfabrik" is a broader initiative providing the company with a means of helping to develop even very young children's skills, for example. Children are given access to economic relationships by means of hands-on primary school projects geared towards their age group.

**Wissensfabrik**  
Unternehmen für Deutschland





## – METRO GROUP –

### *Dialogue forum for prospective managers*

**M**ETRO GROUP pioneered a new approach to managerial development in 2011 with its International Young Talent Day. Approximately 100 prospective managers attended the event in Düsseldorf, which had the slogan “I have a say @ METRO GROUP”. The forum focused on issues such as management culture, responsibility and openness to dialogue. Its aim was two-fold: to offer would-be managers an opportunity to discuss their thoughts and to motivate them to bring their skills and ideas to bear at the Company. In addition to its use for the event, the slogan “I have a say” conveys the Group’s culture of embracing dialogue and change. It sums up the core message that everyone can make an important contribution in their daily lives.

## – METRO GROUP –

### *The many faces of diversity*

**M**ETRO GROUP does not believe in dated gender roles. In September 2011, the Group launched a nationwide testimonial campaign in Germany entitled “We put our trust in female leadership”. Using five female managers as examples, the retail and wholesale company illustrated the varied, fascinating career opportunities offered by the Group in an authentic and emotive fashion. With the campaign, METRO GROUP hopes to attract more female professionals and managers to a career in the retail and wholesale industry. The campaign’s high media profile and visual presentation offer a means of replacing old gender roles with new alternatives, which will become permanently established given time.

Women already make up 19.2 percent of top executives at METRO GROUP, which is above the average for DAX 30 companies. In October 2011, the retail and wholesale company announced that it intended to further increase the percentage of women in senior management positions to 20 percent by the end of 2013 and 25 percent by the end of 2015. As a lot of female staff sign up for our development and skills enhancement schemes, women already account for 40 to 59 percent of our talent pool.







METRO GROUP 2011

SOCIAL POLICIES AND STAKEHOLDER DIALOGUE

OUR APPROACH

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METRO GROUP

# SOCIAL POLICIES AND STAKEHOLDER DIALOGUE

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## OPEN FOR DIALOGUE

METRO GROUP BROADENS ITS HORIZONS BY MEANS OF STAKEHOLDER DIALOGUE. THIS SHOWS THE GROUP WHAT IT IS ALREADY DOING WELL AND WHAT IT CAN DO BETTER.



**A**s an international retail and wholesale company, METRO GROUP operates at the interface between producers and consumers. At the same time, the Group is an important part of society as an employer, training provider and taxpayer. This means we have a special responsibility both at product level and regarding our wider actions. We embrace this responsibility and fulfil it in many different ways. Cooperation, a constructive exchange of views, and stable, trusting relationships are important to us in our dealings with employees, business partners, customers and other stakeholders. We believe that this approach paves the way for responsible business practices and social acceptance. Wherever actions affect one another, it is essential for companies to know their stakeholders' needs and expectations. This is the only way to achieve long-term success. We can find solutions and proactively shape our operating environment by fostering contact with our diverse stakeholder groups and participating in discussions, even when they revolve around critical questions. Sharing knowledge and pooling different skills also allows us to align the various parties' expectations and objectives and to translate them into practical approaches.

### ***Representative offices as established platforms for dialogue***

Thanks to our presence in 33 countries and our extensive industry expertise, we





can make a real difference on a global scale. At the same time, we are increasingly confronted with our stakeholders' many different requirements. This is why we want to be on hand in the places where forward-looking discussions are held and decisions are made. Several years ago, we established Group representative offices in five locations as a means of liaising face to face with policymakers, associations and non-governmental organisations to exchange our views on pressing socio-political challenges. The representative offices are located in strategically important markets where several of our sales divisions operate.

### ***Information creates transparency***

We are also constantly ramping up dialogue with our customers. Among other things, they rely on us to supply safe products that can be traced back throughout the supply chain. They also expect us to comply with social and ecological standards. It is therefore important that we provide both private consumers and business customers with comprehensive information about these issues. To do this, METRO GROUP and its sales divisions are making increasing use of the Internet. For example, our websites include details about official labels and standards for fair-trade or organic products and about steps we are taking to improve traceability, e.g. for sustainably sourced fish.

Saturn Austria takes preventive steps to raise youngsters' awareness of how to use social media safely and protect personal data. It promotes online safety by addressing young consumers directly and by educating parents and teachers. As part of this work, the division launched a competition for schoolchildren in 2010 called "Bist du fit für Social Media & Co.?" (Are you ready for social media and

Co.?). The competition focused on surfing the Internet, protecting personal data and using social media in school contexts. The winning team received their award in September 2011.

### ***Customer focus***

Metro Cash & Carry regularly conducts surveys tailored to national specifics and customers regarding its product range, service and advice. This is a means of systematically recording different customer groups' requirements. The so-called MetroNom scheme, for instance, is an important customer satisfaction benchmark. This programme was specially developed for the cash & carry wholesaler and has been assessing the satisfaction of more than 40,000 business owners throughout Germany by means of a survey every year since 2006. With its Customer Centricity project, Metro Cash & Carry is aiming to further enhance its ability to respond quickly and decisively to the needs of customers in different regions. The pilot phase of the project was initiated in July 2011 and gives the managers of 17 selected wholesale stores in eight countries extensive commercial responsibility in areas such as customer management, HR, product ranges, pricing and marketing. Its objective is to speed up decision-making and increase local flexibility.

### ***Rating on the capital market***

The capital market's expectations concerning corporate responsibility are reflected in the categories used for various ratings and rankings that sustainably-minded investors use as a basis for decision-making. This means of assessing our sustainability commitment is therefore important to us. In 2011, oekom research – one of the world's leading rating agencies for ethical investments – awarded

METRO GROUP Prime status, designating it as a sustainably managed business. Thanks to its transparent reporting of climate-related data, METRO GROUP was also listed in the Global 500 Carbon Disclosure Leadership Index for the first time in 2011 as part of the Carbon Disclosure Project. In another significant development, we were also included in the Dow Jones Sustainability World Index again. The analysts primarily highlighted METRO GROUP's good risk management, effective anti-corruption regulations and efficient customer management.

### ***Corporate responsibility***

METRO GROUP is part of society and acknowledges its social responsibility, both within the Company and beyond. We therefore help to support local communities by means of selected projects. We are especially dedicated to various initiatives in our home town of Düsseldorf, with a particular focus on culture and sport. For instance, METRO GROUP was an official partner of the Eurovision Song Contest in 2011. The Group also sponsored the new presentation of the art collection owned by the "museum kunst palast" in Düsseldorf. We have also been demonstrating our close ties with the City of Düsseldorf – where our Group headquarters are based – by acting as name sponsor of the annual METRO GROUP Marathon since 2002.

Another example of our social commitment is the support given by Media Markt Italy to the "House of Smiles" in South Africa, which provides women who have become victims of violence with a safe haven for them and their children. The national subsidiary has been backing the refuge since back in 2005 and encourages the public to help as well. As part of its fundraising efforts, Media Markt Italy sold a CD recorded by its staff, "Voci dal Cuore", which reached Italy's top ten in 2006.





# OTHER PROJECTS AND MEASURES



## – METRO GROUP –

### *Support for food banks*

**M**ETRO GROUP has been supporting the German food bank charity Bundesverband Deutsche Tafel e. V. since 2006. The retail and wholesale company extended its sponsorship by another three years in 2011. Its financial assistance in Germany is supplemented by donations of food and other goods at operational level by Metro Cash & Carry and Real stores. All of this helps to ensure that people in need regularly receive healthy food. The scheme also has a sustainable secondary benefit: less food goes to waste. At international level, Metro Cash & Carry also makes an important contribution to society with its Care & Share programme, which it now operates in 22 countries. This initiative is driven by the wholesale stores' employees. For instance, Metro Cash & Carry Hungary provided 1,000 food parcels and worked with the children's charity GYEA to supply food to disadvantaged youngsters in ten Hungarian cities during the summer holidays. In Serbia, staff from Metro Cash & Carry collected donations of money and food in collaboration with Crédit Agricole and the food bank initiative. Customers at various wholesale stores had the opportunity to take part in the scheme by buying pre-assembled food parcels. The partners used the cash donations to help disabled children with the Magic Breakfast campaign. In Vietnam, Metro Cash & Carry distributes parcels containing basic

foodstuffs to needy families at the Vietnamese New Year. This scheme has been in place since 2009. The company helped some 4,500 families in this way in 2011.





## – GALERIA KAUFHOF –

### *Shaping demographic change*

**T**he changing population structure has far-reaching effects on society and therefore also on the retail industry. As a sustainable business, Galeria Kaufhof is actively facing up to this challenge. The sales division aims to position itself as spearheading the issue of demographic change. In 2008, Galeria Kaufhof became the first German company to create the position of demography officer within its organisation. The demography officer's job is to anchor this issue within the company in a holistic way. Back in 2009, the company also signed the Berlin Declaration – a ten-point programme that helps companies to actively structure demographic change while taking the older generation's interests into consideration.

The department store chain is also demonstrating its commitment by means of its shop design: in 2009, Galeria Kaufhof helped the German Retail Federation to develop the quality seal "Generationenfreundliches Einkaufen" (Shopping for all generations). This symbol of quality is awarded to stores that offer customers from every generation a comfortable, low-barrier shopping experience. More than half of Galeria Kaufhof's department stores had received the badge by the end of 2011.

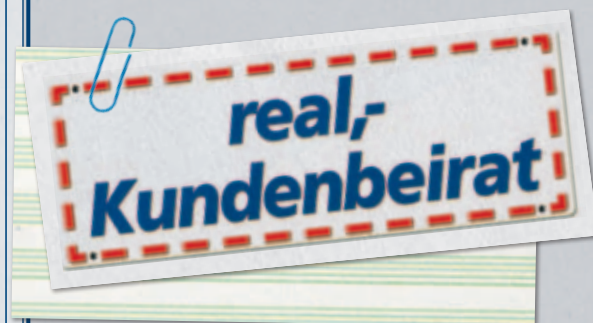
The sales division is also working with its suppliers to expand its range of products that cater for changing customer structures in the wake of demographic change. For example, in 2011 the company launched a crockery set developed in line with the principles of universal design. This means that the products are designed so that as many people as possible can use them intuitively and comfortably.



## – REAL –

### *Customer advisory boards established*

**S**ince 2011, Real Germany has been establishing local customer advisory boards as a means of identifying potential improvements at store level and giving customers more opportunities to talk to the retailer on an equal footing. These groups – which consist of ten to 15 people from different customer segments – meet four times a year. At the meetings, the members of the advisory boards specifically talk about store concepts which they believe are successful. They also discuss areas which they think could be improved further. One suggestion was that the range should be expanded to include certain regional products. Real has set up more than 150 customer advisory boards to date. The sales division's long-term goal is to introduce this form of customer feedback for all Real hypermarkets in Germany.





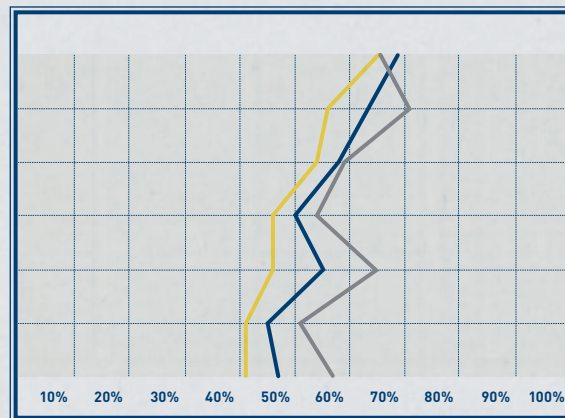
## – METRO GROUP –

### *Stakeholder survey: culture of dialogue well received*

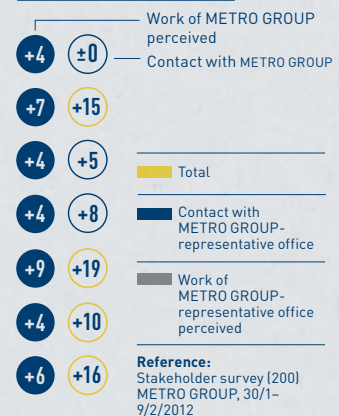


PARTICIPANTS “ENTIRELY”/“RATHER” AGREE WITH THE STATEMENTS THAT METRO GROUP ...

- ...is a driving force in trade
- ... offers many approaches and topics for interesting discussion
- ... is an innovative company
- ... is a crisis-resistant company
- ... is willing to engage in dialogue even about controversial issues
- ... has a sustainable, forward-looking strategy
- ... is a sustainable company



Difference to total



Two years after establishing its representative office in Berlin, METRO GROUP commissioned the market research firm Forsa to conduct a stakeholder survey in 2012. 200 opinion leaders from politics, business, non-governmental organisations and the media were selected from a pool of 600 potential respondents and asked about METRO GROUP's activities, the Berlin office and corporate responsibility in general. The results of the survey show that 85 percent of the stakeholders questioned believe that companies should use their influence at policymaking level to create social conditions that facilitate sustainable business. 19 percent of the respondents called on the retail industry to make sustainability more of a focal point in the dialogue between policymakers and society. Working conditions, consumer protection and environmental conservation were also listed as important aspects of corporate social responsibility.

The data gathered by Forsa also shows that dialogue formats and open discussions can make a quantifiable contribution towards a company's reputation. As regards our Group's rep-

resentative office in Berlin, the survey participants consider “willingness to engage in dialogue even about controversial issues”, “forward-looking strategy” and “being a sustainable company” to be particularly important. Sustainable business practices and active dialogue with stakeholder groups are therefore perceived as important challenges for responsible companies.

METRO GROUP takes these stakeholder expectations seriously and actively fosters constructive dialogue in one-on-one conversations, political workshops and as part of the regular “Mittwochsgesellschaft des Handels” (Wednesday Society of the Retail Industry). This series of discussions is organised in conjunction with the German Retail Federation (HDE) and the Federation of German Wholesale, Foreign Trade and Services (BGA). It brings together people from the political arena, business and society as a whole and offers them a forum to debate current social issues and gain new insights.



# OUR RESULTS

# 2



# OUR SUSTAINABILITY MANAGEMENT SYSTEM

**S**ustainable value creation at METRO GROUP is based on integrated management systems and an organisational structure with clearly defined responsibilities.

In 2011, all the sales divisions joined METRO AG in appointing their own sustainability officers, who act as the driving force behind sustainability management at operational level.

**T**he Sustainability Board established in September 2009 is METRO GROUP's central sustainability management body and ensures that the issue is integrated into all relevant Group functions and divisions.

A number of systematic amendments were made to the Board in early 2012 to optimise its management of sustainability-related processes by streamlining decision-making procedures. The body is headed by the Management Board of METRO AG and consists of decision-makers from all sales divisions. It issues guidelines, standards and targets that are compulsory for the whole Group, pools and manages existing measures, and thereby continuously enhances sustainability-related strategies. Furthermore, the Sustainability Board defines the focal topics and benchmarks used to assess the Company's performance. Together with Risk Management, it also ensures that opportunities and risks pertaining to sustainability are systematically defined and that business processes are optimised accordingly. The Sustainability Board is assisted by various working committees that are dedicated to specific topics and consist of specialists from the corporate departments and sales divisions. This ensures that all decisions are geared towards the sales divisions' day-to-day business. The working committees liaise with the operating segments to develop concrete measures and establish corresponding monitoring processes adhering to the relevant compulsory rules. The operating segments continue to report on project progress and provide the data needed to gauge the initiatives' success. Performance is assessed using defined indicators that provide information on the extent to which targets have been met and thereby enable the sustainability activities to be managed.

**I**nternal sustainability management is flanked by METRO GROUP's sustainability reporting. We believe that the quality of our reporting can be improved by adopting the guidelines issued by the Global Reporting Initiative (GRI), which we plan to do in 2012. This adjustment also gives us a framework for the optimisation of our management approach.



# KEY PERFORMANCE INDICATORS

Selected key performance indicators provide concise information about the course of business at the Company as well as charting circumstances and trends within the four fields of action. They serve as a means of assessing our sustainability performance.

## DATA RANGE 2011

2009–2011

in %

	2009	2010	2011
Sales	100	100	100
EBIT	100	100	100
Suppliers who passed the social audit	100	100	100
Carbon footprint	100	100	100
Energy	92	96	99
Waste	83	85	89
Recycling rate	83	85	89
Water	74	83	97
Refrigerants	86	88	97
Eco-friendly paper	95	96	86
Diesel usage	100	100	100
Employees	100	100	100
Gender distribution in managerial positions	100	100	100
Personnel expenses	100	100	100
Staff turnover	100	100	100
Work-related accidents	39	39	39
Trainees			39 *
Continuing professional development			39 **

\*Trainees were not included in the data range prior to 2011 \*\*The 2011 report is the first one to publish details of CPD

## COMPANY

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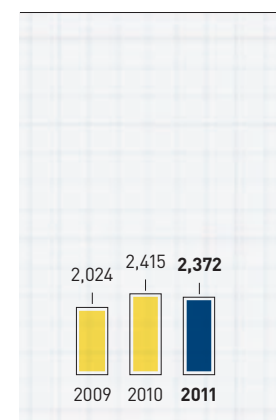
### Sales (net)

in € million



### EBIT before special items\*

in € million




\*Adjusted for special items relating to Shape 12: 2009: €343 million; 2010: €204 million; 2011: €259 million

## SUPPLY CHAIN AND PRODUCTS

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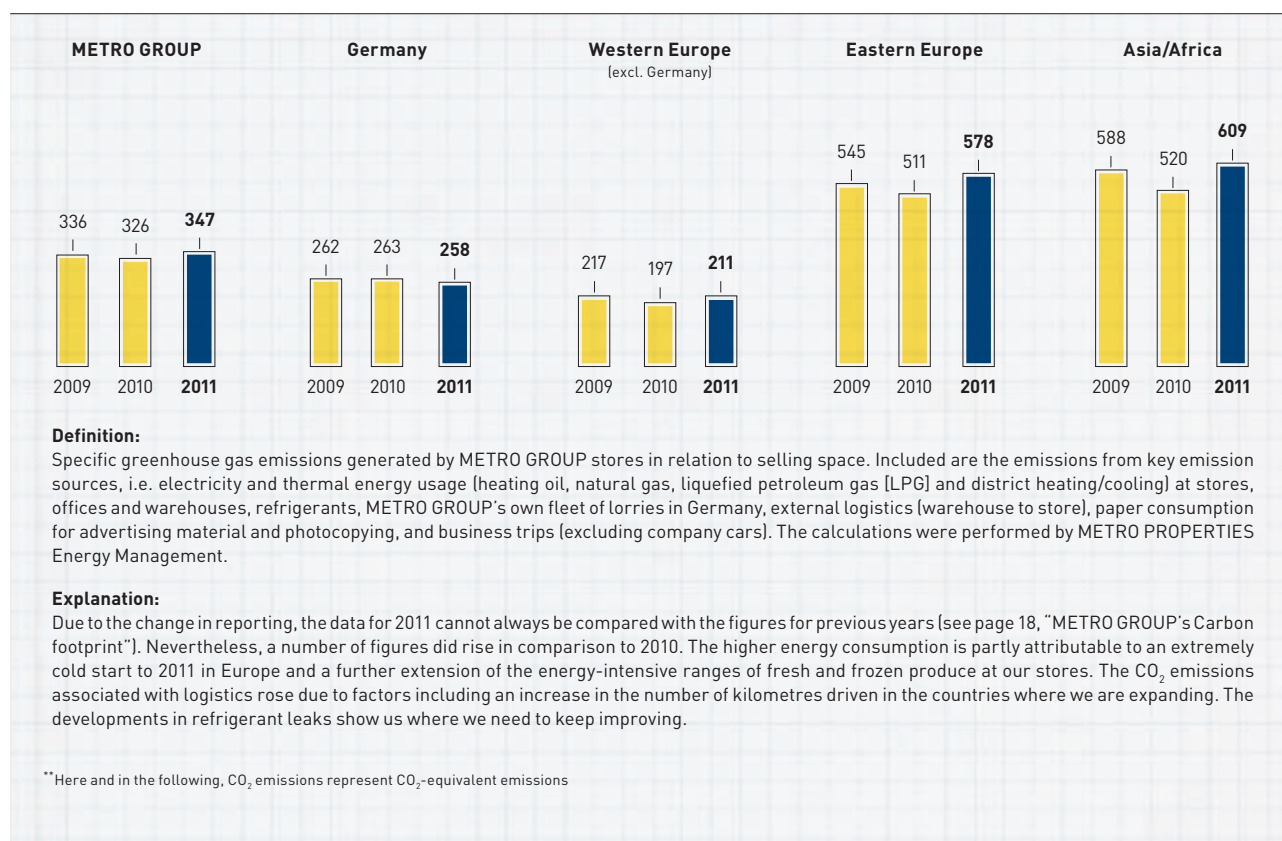
### Social audits relating to own imports by MGB Hong Kong

 Suppliers who passed the audit


## ENERGY AND RESOURCE MANAGEMENT\*

 N 115

### Carbon footprint in kg of CO<sub>2</sub>\*\* per m<sup>2</sup> of selling space

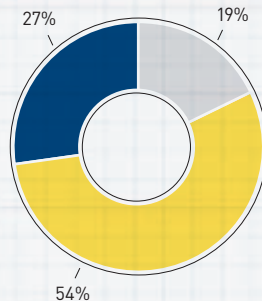

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## ENERGY AND RESOURCE MANAGEMENT

### CO<sub>2</sub> emissions according to GHG Protocol – key emission sources

- Scope 1 = heating oil; natural gas; liquefied petroleum gas (LPG); refrigerants; own fleet of lorries in Germany
- Scope 2 = electricity consumption; district heating/cooling
- Scope 3 = external logistics (warehouse to store); paper consumption; business travel



Total amount of CO<sub>2</sub> in 2011:  
4.4 MtCO<sub>2</sub> (equivalent to 347 kg per m<sup>2</sup> selling space)

**Definition:**

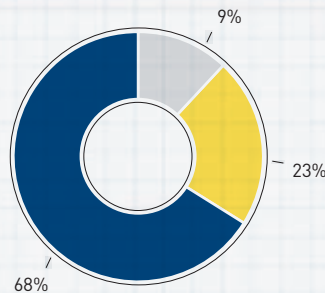
Total volume of CO<sub>2</sub> emissions from the key emission sources subject to targeted management at METRO GROUP since 2006, shown using the methodology of the Greenhouse Gas (GHG) Protocol standard.

**Explanation:**

The total amount of CO<sub>2</sub> emitted in 2011 was 4.4 million tonnes. At 54 percent, the Scope 2 emission sources – electricity consumption and district heating – accounted for the largest proportion.

### CO<sub>2</sub> emissions according to GHG Protocol – key emission sources and extended emission sources

- Scope 1 = heating oil; natural gas; liquefied petroleum gas (LPG); refrigerants; refrigerants for air conditioning; own fleet of lorries; company cars
- Scope 2 = electricity consumption; district heating/cooling
- Scope 3 = all external logistics; paper consumption; business travel; purchased goods and services (not for sale) with the exception of paper; capital assets; upstream emissions from energy; waste; staff commutes; leased assets



Total amount of CO<sub>2</sub> in 2011:  
10.4 MtCO<sub>2</sub> (equivalent to 818 kg per m<sup>2</sup> selling space)

**Definition:**

Total volume of CO<sub>2</sub> emissions from the key emission sources and extended emission sources, shown using the methodology of the Greenhouse Gas (GHG) Protocol standard.

**Explanation:**

METRO GROUP amended its reporting in 2011 and broadened the scope of the carbon footprint it reports. In 2011, a total of approximately 10.4 million tonnes of CO<sub>2</sub> was emitted by the key and extended emission sources. At 68 percent, Scope 3 accounts for the largest proportion of the overall volume.

### Change in CO<sub>2</sub> emissions by segments – kg CO<sub>2</sub> per m<sup>2</sup> of selling space

Key emission source	2006	2011	Change in %
Electricity consumption	207	200	-3
Refrigerant leaks	37	46	24
Logistics	36	50	39
Thermal energy consumption	35	26	-25
Paper consumption	34	24	-31
Business travel	6	1	-76

**Definition:**

Change in area-specific CO<sub>2</sub> emissions per segment in 2011 compared to reference year 2006.

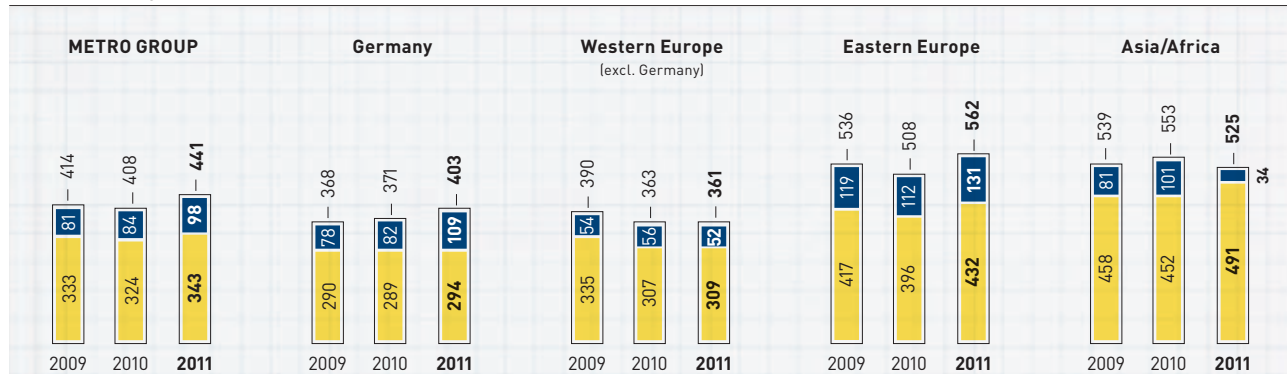
**Explanation:**

See the explanation in the "Carbon footprint" section.

## ENERGY AND RESOURCE MANAGEMENT

### Electricity consumption and thermal energy consumption in kWh per m<sup>2</sup> of selling space

■ Thermal energy ■ Electricity



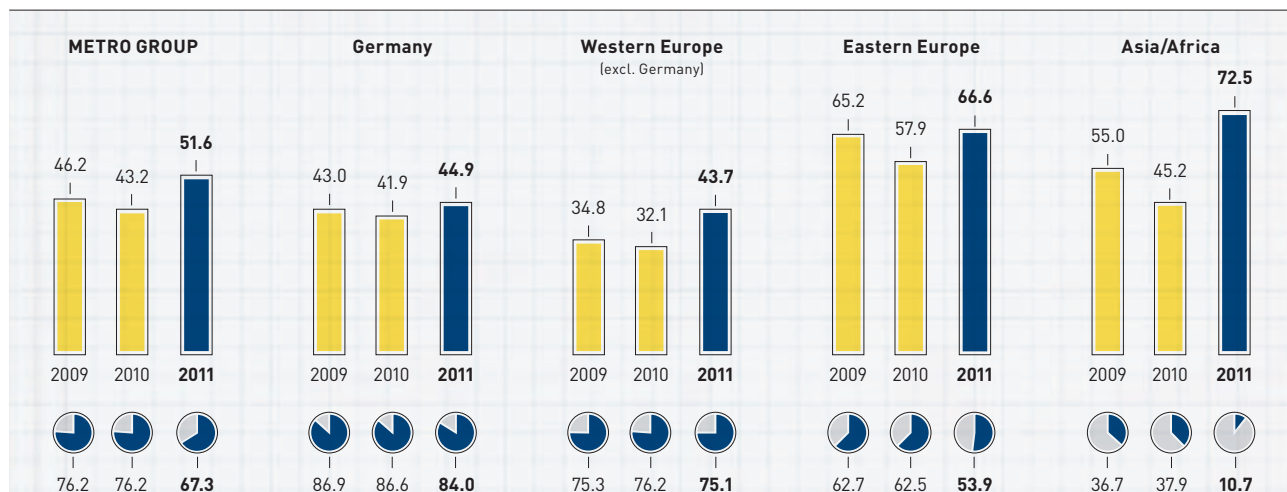
#### Definition:

Specific energy consumption by METRO GROUP stores in relation to selling space. Energy consumption consists of electricity usage and thermal energy consumption (heating oil, natural gas and district heating/cooling).

#### Explanations:

The Company was unable to reduce its specific energy consumption in kWh per square metre of selling space in 2011. This was partly due to a change in the way data was collected. We hope to counteract this trend in the future by means of our energy-saving programme 2011–2014 and the many energy efficiency measures that have been implemented since 2011.

### Amount of waste in kg per m<sup>2</sup> of selling space/Recycling rate in %



#### Definition:

Specific amount of waste (total quantity of waste for disposal, for recycling or heat recovery, hazardous waste and organic waste) generated by METRO GROUP's stores in relation to selling space. The recycling rate is calculated on the basis of the quantity of waste for recycling or heat recovery and the organic waste in relation to the total quantity of waste.

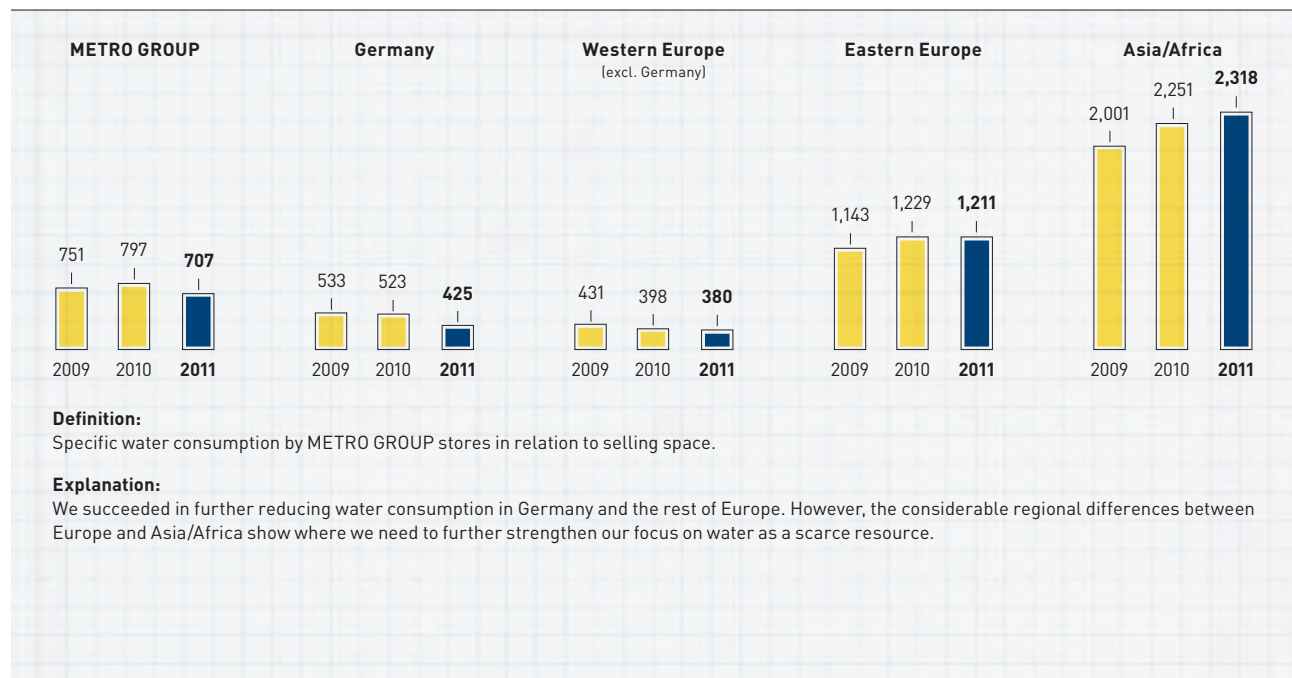
#### Explanation:

Due to the new level of data quality, the specific amount of waste recorded for 2011 is not always comparable with the previous years. Several figures had to be estimated in the previous year, especially in Asia/Africa. This is why the actual figures for 2011 differ substantially.

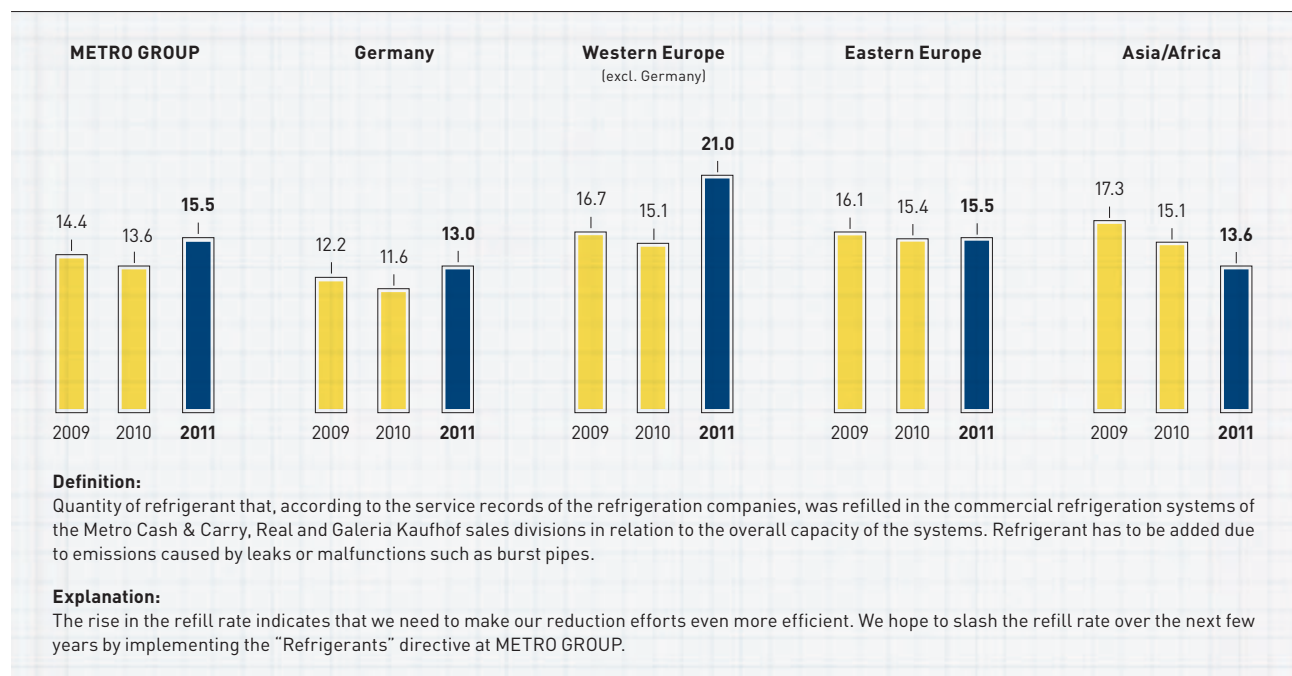


## ENERGY AND RESOURCE MANAGEMENT

### Water consumption in l per m<sup>2</sup> of selling space

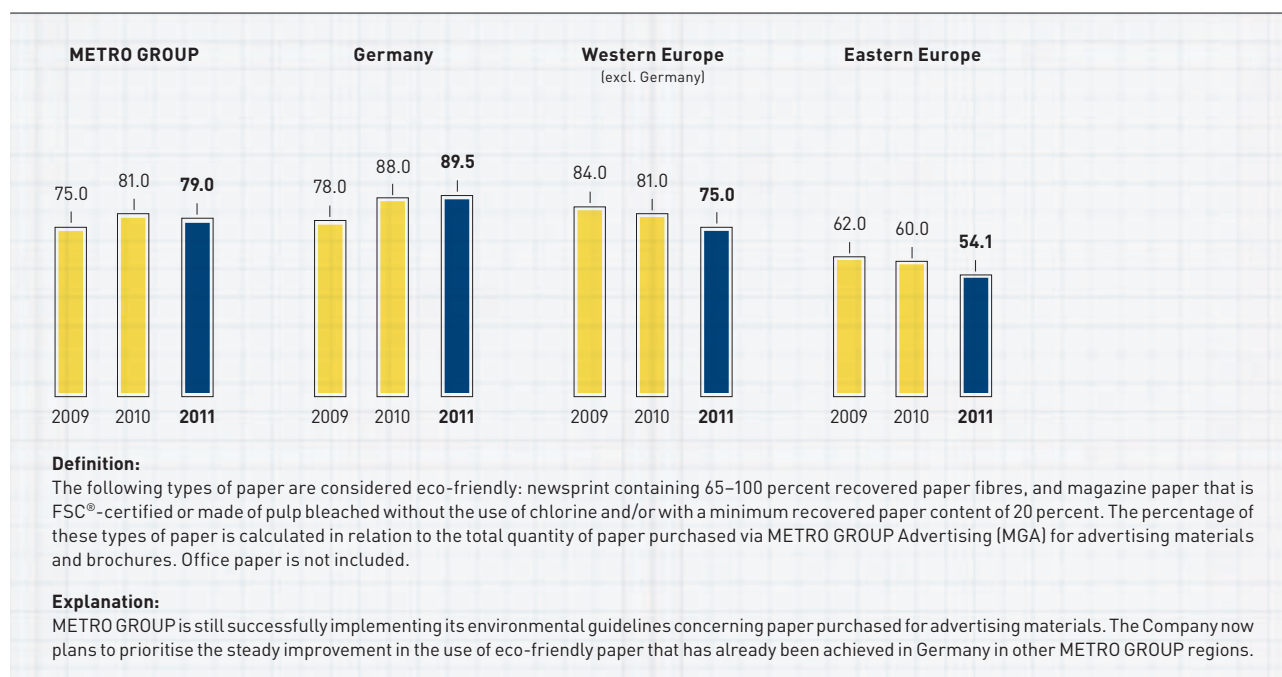


### Refrigerants – refill rate in % (excl. MGL)

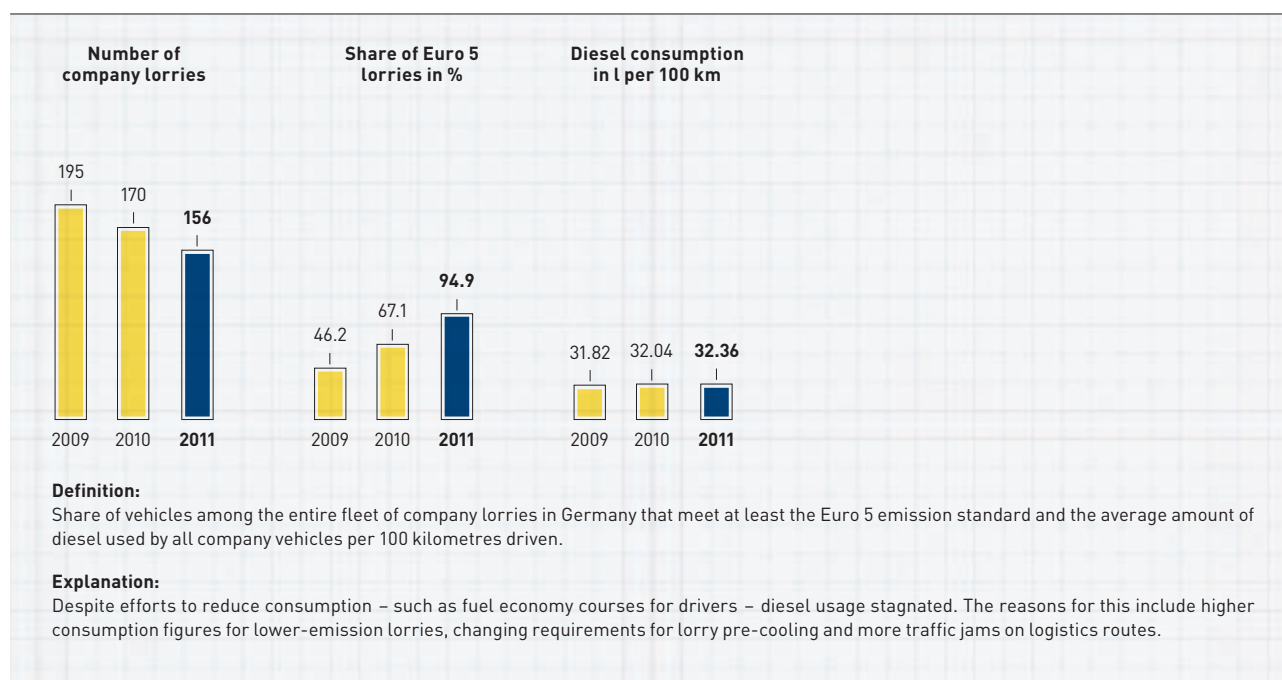


## ENERGY AND RESOURCE MANAGEMENT

### Paper – share of eco-friendly paper in %



### Own fleet of lorries in Germany

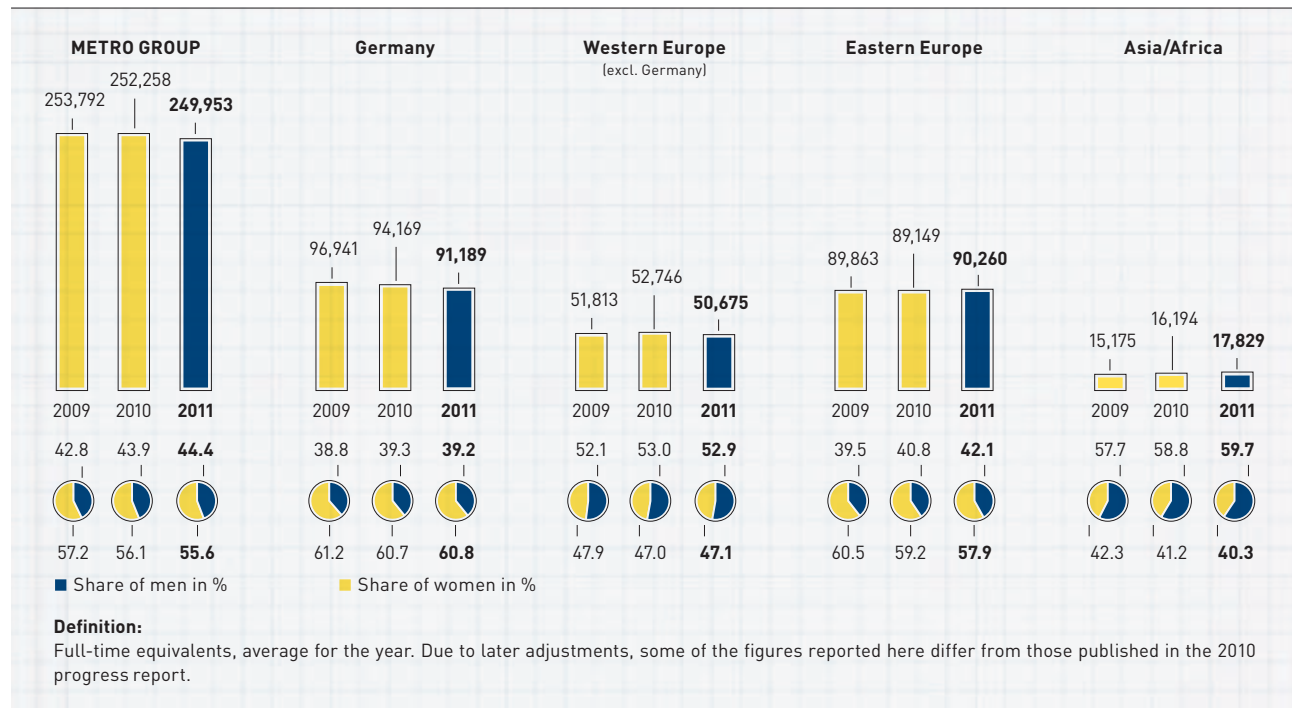




## EMPLOYEES AND SOCIAL AFFAIRS

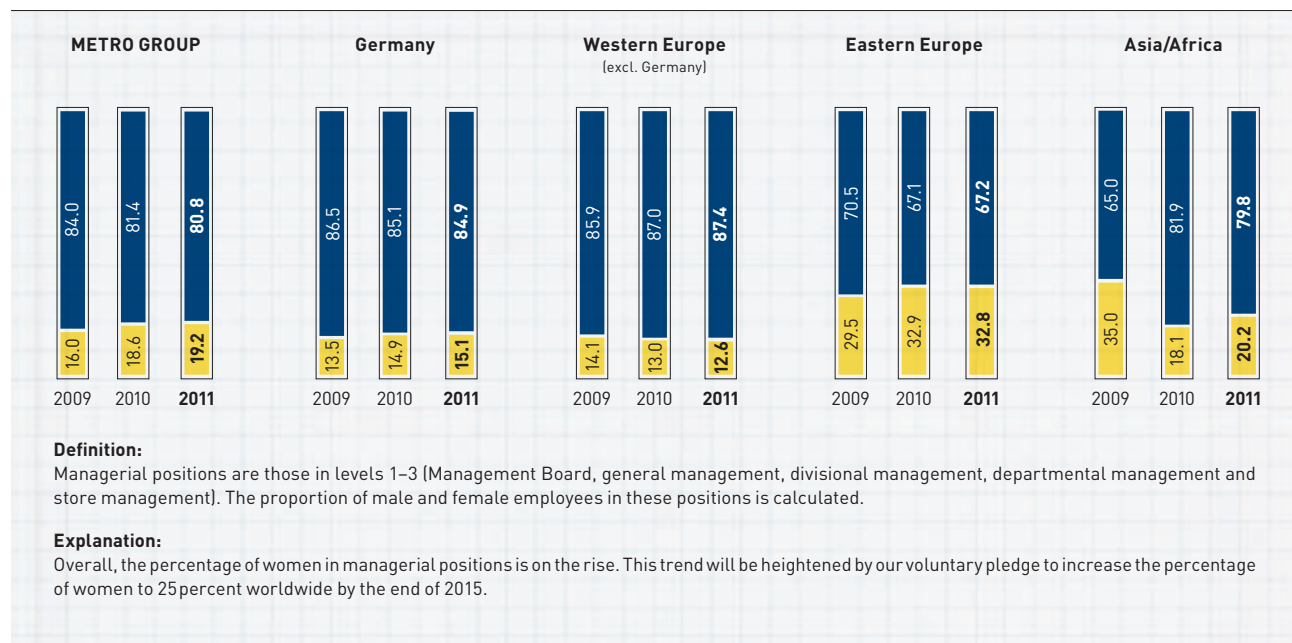
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## Employees



## Gender distribution in managerial positions in %

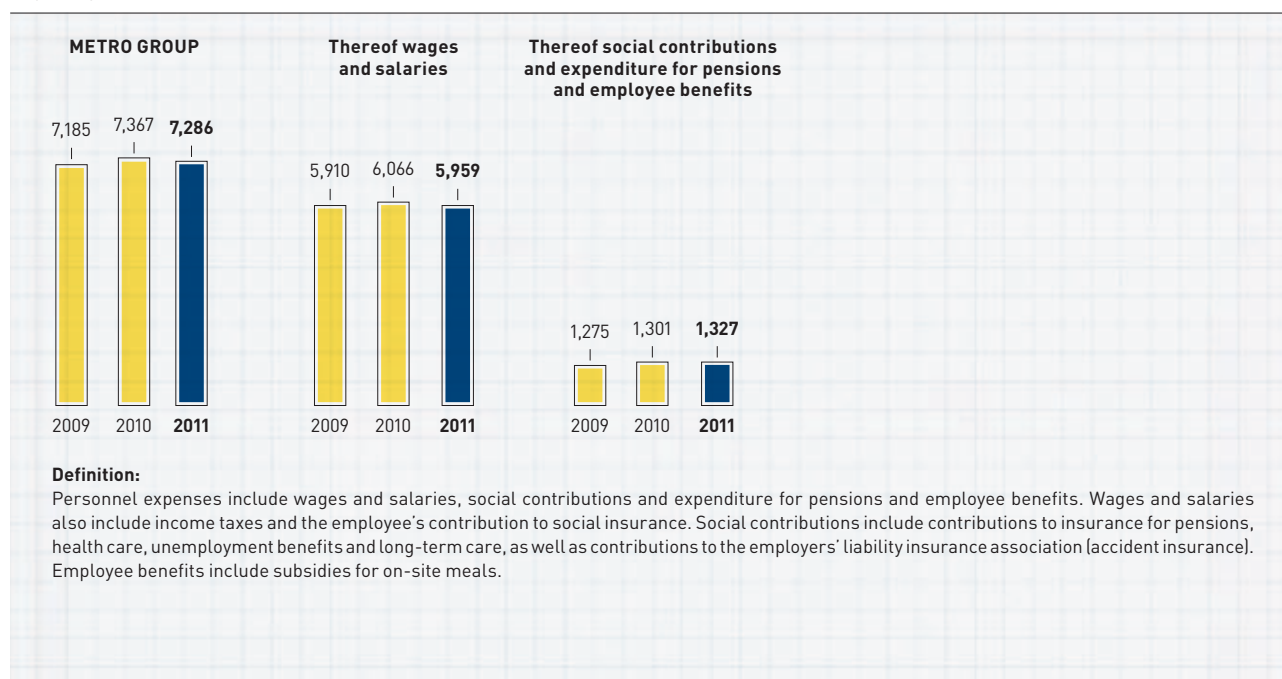
■ Share of men ■ Share of women



## EMPLOYEES AND SOCIAL AFFAIRS

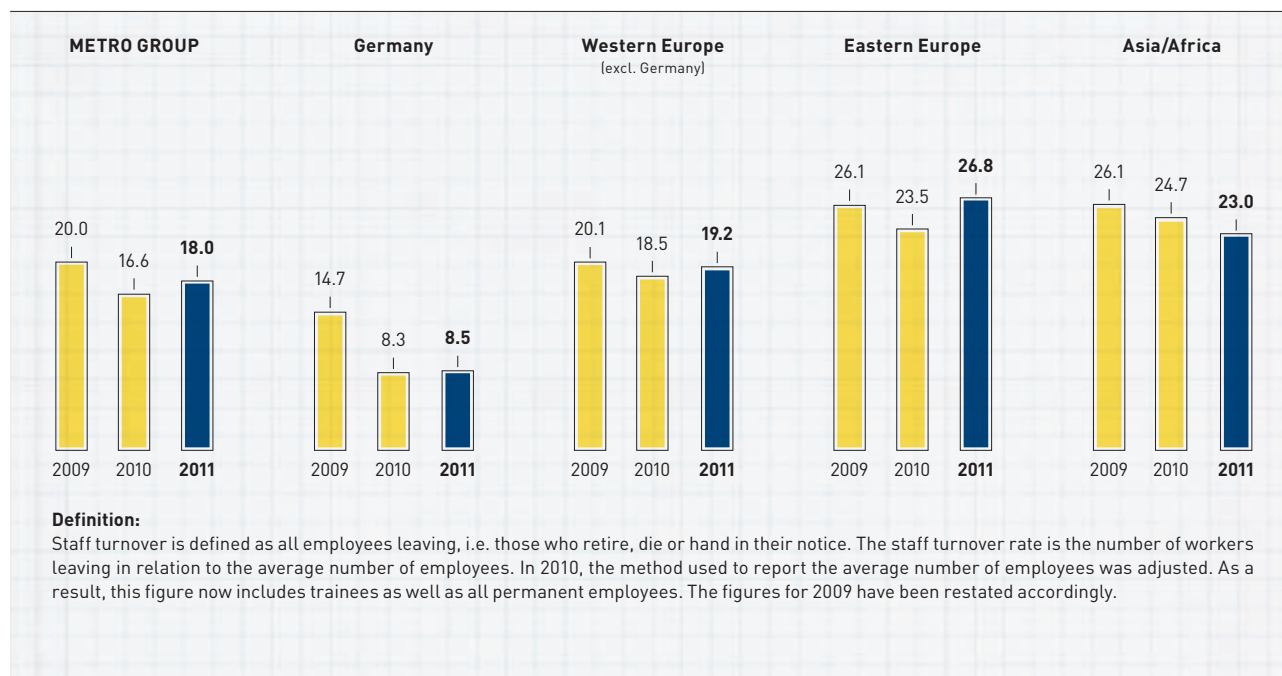
### Personnel expenses

in € million



### Staff turnover rate

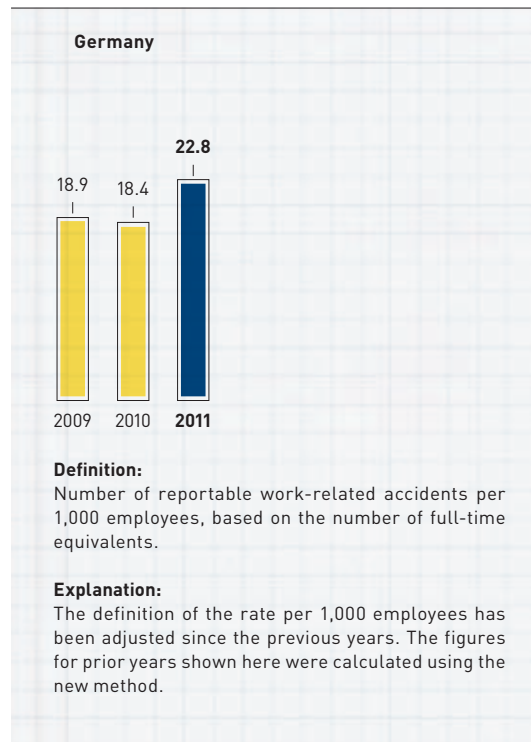
in %



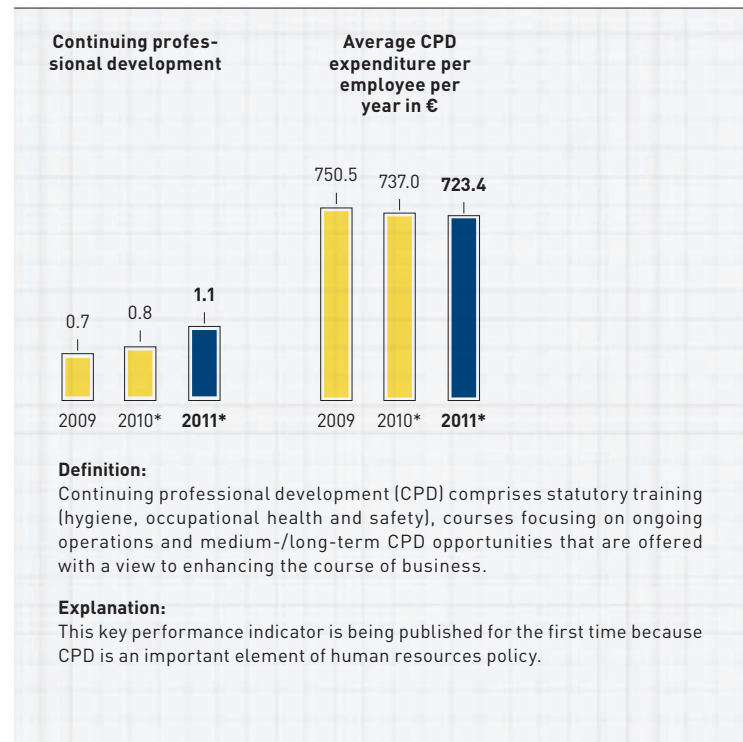


## EMPLOYEES AND SOCIAL AFFAIRS

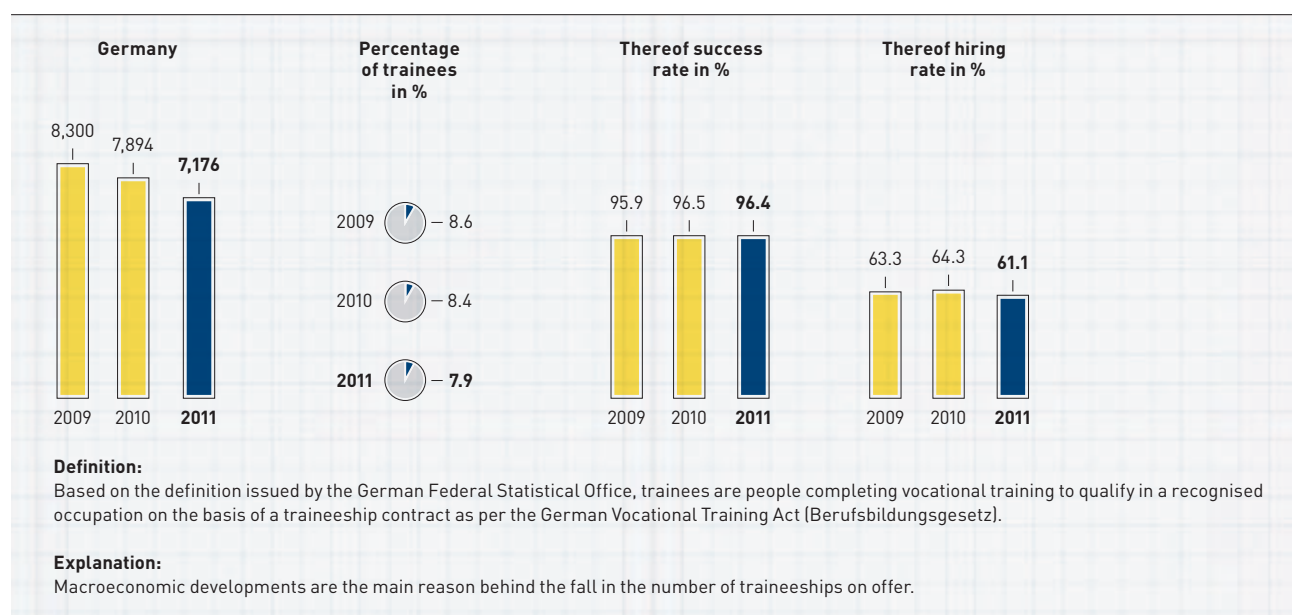
### Work-related accidents per 1,000 employees



### Continuing professional development in Germany \*Excl. Media Markt and Saturn



### Vocational trainees



# GOALS 2011








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Within the focused fields of action, we have set specific goals for the purpose of continuously improving our sustainability efforts and defined the steps that we will take to reach these goals. The extent to which a goal has been reached is reflected in the reported status of each individual goal and the measures related to it.

## Degree of goal achievement












































## Company

Theme	Goals	Status goals	Measures	Status measures
Compliance organisation and management	METRO GROUP continuously updates its compliance management system.		→ Implementation of the comprehensive communication strategy to inform employees through Group-wide awareness campaigns in various formats (e.g. Compliance Day), reports in newsletters, the Intranet and employee magazines, etc.	
			→ Introduction of Group-wide anti-corruption guidelines and enhancement of the Group-wide competition law compliance programme with extensive training programmes.	
			→ Implementation of an internal control system to manage compliance risks within operational processes, including systemic controls, dual-control principle and separation of functions.	
			→ Group-wide online survey among managers on levels 1, 2 and 3 to measure the progress of compliance at METRO GROUP. The results are reported to the Management Board and included in the Compliance Newsletter. The next survey will be conducted in 2012.	
Risk management	Establishment of the integration of sustainability criteria into the risk management system by 2012.		→ Systematic inclusion of sustainability criteria that are critical to METRO GROUP into the risk management system. Beginning in 2012, this will be covered by risk management guidelines.	



**Fields of action: supply chain and products**


















Theme	Goals	Status goals	Measures	Status measures
Conservation of resources/food safety/supplier qualifications	METRO GROUP continues to refine its strategy on sustainable fishing.		→ In 2011, training of fish buyers in the use of the fish inventory database <a href="http://www.portal-fischerei.de">www.portal-fischerei.de</a> by von Thünen Institute.	→  ←  ← 
			→ Internal training for buyers to increase awareness of the issue of sustainable fishing.	→  ←  ← 
			→ Preparation of a METRO GROUP purchasing policy on sustainable fishing.	→  ←  ← 
			→ Development of division- and country-specific implementation guidelines for METRO GROUP's purchasing policy on sustainable fishing.	 ← →  ← 
	The sustainable range of fish is being expanded by 15 percent from 96 items (brands and own brands) in 2009 to 110 MSC-certified items at the end of 2011.		→ Systematic procurement of MSC items.	→  ←  ← 
	METRO GROUP is expanding its supplier training programme in developing and emerging countries.		→ In March 2011, a UNIDO partnership project with 120 own-brand suppliers of Metro Cash & Carry and Real is launched in Russia.	 ← →  ← 
			→ In 2011, a UNIDO partnership project with own-brand suppliers of Metro Cash & Carry is launched in India.	 ← →  ← 
			→ In 2011, an IFC partnership project with suppliers of Metro Cash & Carry is launched in Ukraine.	 ← →  ← 
			→ The "Star Farm" programme of Metro Cash & Carry was further expanded in 2010. A training programme starts in Pakistan in 2011.	 ← →  ← 
			→ A partnership agreement regarding supplier development programmes was concluded with Bayer CropScience.	→  ←  ← 
Conservation of resources/design of product range	Conversion of several Real own-brand cleaning agents to A.I.S.E. certification.		→ An agreement was concluded with A.I.S.E. in 2011. Individual cleaning agents are being converted.	 ← →  ← 
Conservation of resources/packaging design	Real Germany contributes to the development of more sustainable packaging.		→ Beginning in 2011, conversion of several Real own-brand Tetra Pak/Combi Block packaging materials to Forest Stewardship Council®.	 ← →  ← 

## Fields of action: supply chain and products



























Theme	Goals	Status goals	Measures	Status measures
International labour standards/ social standards	Integration of all nonfood own-brand import suppliers who serve via MGB Hong Kong into a BSCI or equivalent social standard system by 2015, provided the product was made in a risk country (definition of risk country according to BSCI).		→ Development of a project plan to reach this goal.	
	METRO GROUP intensifies its commitment to fair working conditions among its suppliers.		→ Internal procedures to monitor and document social standard systems are improved through the introduction of systematic IT support.	
			→ In cooperation with GLOBALG.A.P., the new social standard for agricultural production GRASP was to be tested by five suppliers. The project was not carried out.	
			→ Ban on the harmful production technique sandblasting, e.g. for jeans, beginning in February 2011.	
Animal protection	Improved animal husbandry conditions.		→ At Real Germany, definition of in-house criteria regarding goose and duck husbandry. First suppliers are recruited for the goose and duck criteria. Since 2011, Real Germany has stopped selling rabbits raised in cages.	
Quality assurance	90 percent of nonfood suppliers of METRO GROUP who have the greatest risk and sales potential will be certified under the BRC Consumer Product Standard by the end of 2015.		→ Two introductory training courses were conducted with suppliers in China in 2010. The current version of the BRC standards proved to be impractical. The revision of this standard is still pending. For this reason, the measure has been put on hold.	



## Fields of action: energy and resource management




















Theme	Goals	Status goals	Measures	Status measures
Climate protection/ resource management	Improvement of data quality by upgrading primary data coverage and increasing the quality of primary data for targeted management and increased planning security by the end of 2013.		→ Introduction of a new CO <sub>2</sub> emission collection and calculation system with a shortening of reporting times in 2011 and 2012.	
	Greenhouse gas emissions are to fall by 15 percent from 355 kg/sqm (figure adjusted) in 2006 to 302 kg/sqm in 2015.		→ Implementation of the "low hanging fruit" programme in 2011–2014.	
	Energy consumption per sqm of selling space is to fall by 3 percent from 414 kWh in 2009 to 402 kWh in 2011.		→ Energy efficiency steps were introduced as part of the "low hanging fruit" programme 2011–2014. The goal of 402 kWh per sqm of selling space was not reached in 2011. The reasons for this include changes in data collection.	
	METRO GROUP continues to improve its energy management.		→ Expansion of collection and monitoring of energy consumption with the help of smart metering systems. At the end of 2011, 80 percent of all stores around the world were equipped with such systems.	
			→ Expanding the qualifications and responsibilities of employees, e.g. by regular training of in-house technicians and annual energy checks.	
			→ Development of uniform standards for new and remodelled sites.	
			→ Roll-out of successful efficiency measures.	
	Complete installation of the METRO GROUP energy management system (>95 percent) in 2012.		→ Implementation of the "low hanging fruit" programme in 2011–2014.	
	Beginning in 2012, review of every new store opening regarding the possibility of using a photovoltaic system.		→ Development of a project plan including work instructions.	
	Revision of energy primer in 2012.		→ Development of a project plan.	

## Fields of action: energy and resource management





























Theme	Goals	Status goals	Measures	Status measures
Climate protection/ resource management	The refill rate of refrigerants was to fall from 14.4 percent in 2009 to 12 percent in 2011.	<input type="checkbox"/>	→ The goal cannot be met in 2011. By implementing the work instructions on refrigerants at METRO GROUP, we intend to significantly reduce the refill rate in the coming years.	→  ← 
	Beginning in 2015, use of natural refrigerants in the cooling systems of every new store.		→ Review of technical feasibility.	 ← 
			→ Conversion of pilot units.	 ← 
			→ Conducting of lifecycle analyses.	 ← 
	Beginning in 2012, expansion of e-mobility at METRO GROUP Germany.		→ Creation of a loading infrastructure at the Düsseldorf location (five charging stations) and purchase of electric vehicles (initially two e-vehicles). Installation of charging stations at new stores built between 2012 and 2015.	 ← 
	By the end of 2011, we intend to upgrade our fleet of trucks in Germany to meet the Euro 5 standard at the very least.		→ By the end of 2011, we have reached 95 percent of our goal. We will reach the goal completely in 2012.	→  ← 
	The average level of diesel used by the trucks in the fleet of MGL (METRO GROUP Logistics) in Germany is to fall by 5 percent from 31.8 l/100 km in 2009 to 30.3 l/100 km in 2011.	<input type="checkbox"/>	→ The goal cannot be reached. Diesel consumption has grown. The causes of this increased diesel usage include higher consumption levels for low-emission truck models, changed requirement for the pre-cooling of trucks and increasing congestion on logistics routes.	 ← 
	METRO GROUP is reducing the environmental impact of logistics with programmes designed to change drivers' behaviour.		→ Rolling environmental training courses help drivers to reduce fuel consumption. All drivers undergo this training at least once.	→  ← 
	METRO GROUP continues to carry out its environmental guidelines covering paper purchased for advertising material.		→ Continuously increased purchase of environmentally optimised and certified paper for the advertising material of our sales brands.	→  ← 
			→ Relative reduction of amount of purchased paper by reducing the format of advertising fliers, e.g., Real Germany has saved about 10,000 t of paper from 2008 until today.	→  ← 



## Fields of action: employees and social affairs

















Theme	Goals	Status goals	Measures	Status measures
Occupational health and safety	METRO GROUP will intensify its commitment to occupational safety and health of its employees.		→ Expansion of key figures and reporting systems regarding on-the-job accidents.	
			→ Expansion of employee health programmes and optimisation of occupational safety in stores and warehouses.	
Diversity	METRO GROUP will continuously increase the number of women in managerial positions.		→ Intensification of recruitment marketing with a focus on the target group of women and increased consideration of women in managerial development activities and successor planning.	
			→ As part of the DAX-30 voluntary commitment, the share of women in managerial positions (Metro managerial levels 1-3) is to rise by 20 percent by the end of 2013 and by 25 percent by the end of 2015.	
	With active demographic management, METRO GROUP will systematically develop the strengths of its diverse workforce.		→ Expansion of the qualification and promotion programmes as well as the development of age-appropriate working conditions, including preventative programmes.	
Employee retention	METRO GROUP will expand its further education effort for employees.		→ Development of new training modules in the areas of customer management, sales and procurement as well as the expansion of e-training modules.	
	METRO GROUP will further expand the professional development and support of employees.		→ Further expansion of internal "International Development Centres" (IDC) to evaluate the skills and abilities of employees.	
			→ Development and support of employees with the help of individual development plans.	
	METRO GROUP will continuously improve employee commitment in order to increase customer satisfaction and business success.		→ Regular employee survey to measure employee commitment.	
			→ Preparation of action plans by employee teams to increase employee commitment.	
International labour standards	METRO GROUP will expand its commitment to the labour standards of the International Labour Organisation (ILO).		→ A deepening of the working relationship with the European works council of METRO GROUP "Euro-Forum".	
			→ Continued partnership with the international union organisation UNI Global Commerce.	

# Fields of action: social policies and stakeholder dialogue

Theme	Goals	Status goals	Measures	Status measures
Corporate citizenship	Assumption of corporate social responsibility by donating food and money while reducing food waste.		→ Proceeds from the sale of nearly 38,000 copies of the cookbook "Das Gute essen" (Eat good food) and 3,800 full versions of an app of the same name were donated to the food bank organisation "Bundesverband Deutsche Tafel".	→  ←  
			→ Increased support for the Tafel and food bank movement at the international level by internally addressing sales countries in an effort to expand or initiate such activities.	→  ←  
			→ The "Care & Share" programme at Metro Cash & Carry is expanded from 18 countries in 2009 to 22 in 2011.	→  ←  
			→ Real's donations to the Tafel organisation included five tonnes of food to the national Tafel conference and other food donations to the ecumenical/ Protestant church conference.	→  ←  
	As part of its "familymanager" initiative, Real will have supported more than 1,500 kindergartens in Germany by the end of 2011.		→ "real, - familymanager" "Sie kaufen. Wir spenden!" (You buy. We donate!)	→  ←  
	Real: national support for socially deprived children.		→ Real: Christmas Wish Tree Campaign – 15,000 children received gifts; marketing support for the children's aid organisation SOS Children's Villages Germany, e.g. a customer breakfast – total donation: €43,000	→  ←  
Stakeholder dialogue	METRO GROUP continues to conduct dialogue with experts and stakeholders regarding animal protection.		Work includes: → Animal Protection Advisory Council of North Rhine-Westphalia. → Expert discussion on lobster husbandry at the Bavarian Ministry for Food, Agriculture and Forests (BayStMELF). → Expert discussion on castration of young pigs with QS GmbH. → Meeting with the German Animal Protection Association.	→  ←  
			→ Expert discussions with the Albert Schweitzer Foundation on the topics "eggs from caged hens" and "rabbit husbandry".	→  ←  



## Fields of action: social policies and stakeholder dialogue

Theme	Goals	Status goals	Measures	Status measures
Stakeholder dialogue	METRO GROUP conducts dialogue with experts and stakeholders on the subjects of their specialities.		<p>These activities include</p> <ul style="list-style-type: none"> <li>→ Participation in a conference on food waste in North Rhine-Westphalia.</li> <li>→ Participation in the Stakeholder Council of the Marine Stewardship Council.</li> <li>→ Active further development of the Aquaculture Stewardship Council.</li> <li>→ Participation of FSC® stakeholder dialogue formats.</li> <li>→ Participation in the Consumer Goods Forum on such topics as deforestation, refrigerants, health and well-being.</li> <li>→ Participation at the World Economic Forum, including new visions on agriculture, ocean governance and sustainable consumption.</li> <li>→ Co-chair of the European Retail Forum for Sustainability.</li> </ul>	  
	Creation of the Berlin "Mittwochsgesellschaft des Handels" (Wednesday Society of Retail) as a fixed stakeholder format of METRO GROUP.		→ Implementation of the format by initiating a preliminary discussion on a website and the organisation of the events.	  
	Set-up of development or cooperation partnerships.		→ Regular meetings with development organisations such as UNIDO, GIZ, IDH, IFC, KfW and with cooperation partners like Bayer CropScience.	  
	Establishment of 79 customer advisory councils at Real Germany in 2011. Expansion to 154 councils in 2012 and 229 in 2013.		→ Quarterly meeting of 10 to 15 Real customers from various age groups to discuss the improvement potential of local stores.	  



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# UNITED NATIONS GLOBAL COMPACT

By joining the United Nations Global Compact – the world's largest initiative for corporate responsibility – METRO GROUP emphasises the fact that sustainability is an integral part of its corporate strategy, and makes even more transparent its longstanding commitment to responsible and ethically correct business activities.

With this Communication on Progress, METRO GROUP complies with its obligation to disclose through which guidelines and measures its performance in the fields of human rights, labour standards, environmental protection and the fight against corruption improves, and how it is ensured that the ten core principles of the Global Compact are respected – not only today, but also in future strategic decisions as well as in day-to-day work.

DÜSSELDORF, MAY 2012

OLAF KOCH  
CHAIRMAN OF THE  
MANAGEMENT BOARD OF  
METRO AG



WE SUPPORT



## United Nations Global Compact communication on progress 2011

Principle	Responsibilities and Management Systems	Measures 2011	Performances 2011
<b>Human Rights</b>			
<b>Principle 1:</b> Support of human rights <b>Principle 2:</b> Prevention of human rights violations	→ METRO GROUP Business Principles → METRO GROUP's principles on fair working conditions and on social partnership → International standards along the supply chain (BSCI) → ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work embedded in different corporate guidelines → OECD Guidelines for Multinational Enterprises embedded in different corporate guidelines	→ Support of non food suppliers* for own imports through MGB Hong Kong in the implementation of the BSCI standard (Business Social Compliance Initiative) or an equivalent social standard system, provided that the imported goods were manufactured in countries categorised as risk areas by the BSCI. (*Suppliers who provided METRO GROUP in the corresponding year with clothing, shoes, toys and hard goods for the EU market) → Kick-off for renewed attention to METRO GROUP's principles on fair working conditions and on social partnership	→ 72% of BSCI-relevant suppliers passed the BSCI social audit, thus increasing the share by 4% compared to 2010 (Status November 2011) → oekom research Prime Status → Listing in the Dow Jones Sustainability Index → see key performance indicator supply chain and products "social audits", p. 34
<b>Labour</b>			
<b>Principle 3:</b> Protection of the freedom of association and the right to collective bargaining <b>Principle 4:</b> Elimination of all forms of forced and compulsory labour <b>Principle 5:</b> Abolition of child labour <b>Principle 6:</b> Elimination of discrimination	→ METRO GROUP Corporate Principles → METRO GROUP Business Principles → Guideline on Antidiscrimination → METRO GROUP's principles on fair working conditions and on social partnership → International standards along the supply chain (BSCI) → ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work embedded in different corporate guidelines → OECD Guidelines for Multinational Enterprises embedded in different corporate guidelines	→ Social standards clause in supplier contracts → Awareness campaign on occupational safety at METRO Cash & Carry International → Kick-off for renewed attention to METRO GROUP's principles on fair working conditions and on social partnership	→ In 23 of the currently 33 countries in which METRO GROUP is active, collective labour agreements on the sector or company level, depending on the sales line are already applicable or currently being prepared. These collective labour agreements are the result of social dialogue between local management representatives and one or more of the local employee representative bodies, e.g. the labour unions. → Launch of the female leadership campaign → Of the 249,953 employees at METRO GROUP, 55.6% are female. (full-time employees, status 4th quarter 2011) → oekom research Prime Status → Listing in the Dow Jones Sustainability Index → see field of action employees and social affairs, p. 22–25 → see key performance indicators employees and social affairs, p. 39–41

## United Nations Global Compact communication on progress 2011

Principle	Responsibilities and Management Systems	Measures 2011	Performances 2011
<b>Environment</b>			
<b>Principle 7:</b> Precautionary environmental protection <b>Principle 8:</b> Promote greater environmental responsibility <b>Principle 9:</b> Diffusion of environmentally friendly technologies	→ METRO GROUP Corporate Principles → METRO GROUP Environmental Guidelines → Purchasing guidelines, e.g. Fish Procurement Policy → International standards along the supply chain (Global GAP, IFS) → Standard requirements for efficiency optimisation with regard to new buildings and their technical service systems → The Consumer Goods Forum Board Resolution on Deforestation → The Consumer Goods Forum Board Resolution on Sustainable Refrigeration	→ Reduction of climate impact → Joining the Round Table on Sustainable Palm Oil (RSPO) → Implementation of the Fish Procurement Policy → Implementation of energy efficiency measures → Preparation of a carbon footprint → Initiation of logistics projects → Committee functions (sustainable consumption, ocean protection, etc.) → Voluntary taking back of waste electronic goods at Media Saturn → Pilot projects for CO <sub>2</sub> refrigeration plants → Warehouse locations with ammonia refrigeration plants	→ Release of a special budget for energy efficiency measures at the business locations → Listing of METRO GROUP in the "Carbon Disclosure Leadership Index" of the Carbon Disclosure Project (CDP) → METRO GROUP Logistics was presented with the BME Innovation Award 2011 for its holistic Supply Chain Management concept → Sale of efficiency class A+ appliances at Media Saturn ↗ see field of action energy and resource management, p. 16–21 ↗ see key performance indicators energy and resource management, p. 34–38
<b>Anti-Corruption</b>			
<b>Principle 10:</b> Anti-corruption measures	→ METRO GROUP Business Principles → OECD Guidelines for Multinational Enterprises embedded in different corporate guidelines	→ Group-wide introduction of the METRO GROUP Anti-corruption guidelines on the dealings with officials/government agencies and with business partners → Execution of compulsory face-to-face training sessions (up to 2.5 hours) for the relevant addressees of the guideline → Ensuring the necessary accompanying "Tone from the Top" communication of the METRO AG Management Board	→ By the end of 2011, more than 7,000 employees of all hierarchy levels were trained face-to-face for 2.5 hours on Anti-corruption guidelines across the group (this already corresponds to more than 80% of the target group). → The electronic Hospitality Log has already been introduced in almost all affiliated corporations. The function of the Hospitality Log is the transparent documentation of invitations made by business partners to METRO GROUP employees which were accepted. → To prevent corruption, use of clear "Tone from the Top" messages by all members of the Board of METRO AG on the Group-wide intranet, in the Compliance Newsletter which is distributed Group-wide to all executives and in employee trainings. ↗ see METRO GROUP annual report 2011, p. 79



# INFORMATION

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## Reporting period

The reporting period is the calendar year 2011. For reasons of topicality or to provide updates on developments, additional information has been included that was available at the time of going to press (30 April 2012) or that relates to the period before 2011. The cut-off date for figures in the "Key performance indicators" section is 31 December 2011. The frame of reference for the information in the section 'Targets 2011' is given within the targets and measures.

## Reporting limits

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

## UN 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 UN Global Compact, we have committed ourselves to continuous improvements in the areas of human rights, labour standards, environmental protection and anti-corruption measures. With its progress report on sustainability 2011, METRO GROUP is fulfilling its obligation to show what the Company is doing to make improvements in these areas (Communication on Progress).



## Operational audit of the carbon footprint 2011

For the reporting year 2011, the auditing company KPMG AG Wirtschaftsprüfungsgesellschaft assessed our data collection processes and data capture system as part of an operational audit and also verified our carbon footprint for 2011 in accordance with ISAE 3000. The certification by the independent auditor can be seen on the Internet at [www.metrogroup.de/sustainabilityreport](http://www.metrogroup.de/sustainabilityreport).

## Certifications

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## Disclaimer

This progress report on sustainability 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. This includes 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 have occurred after the publication date of this material.

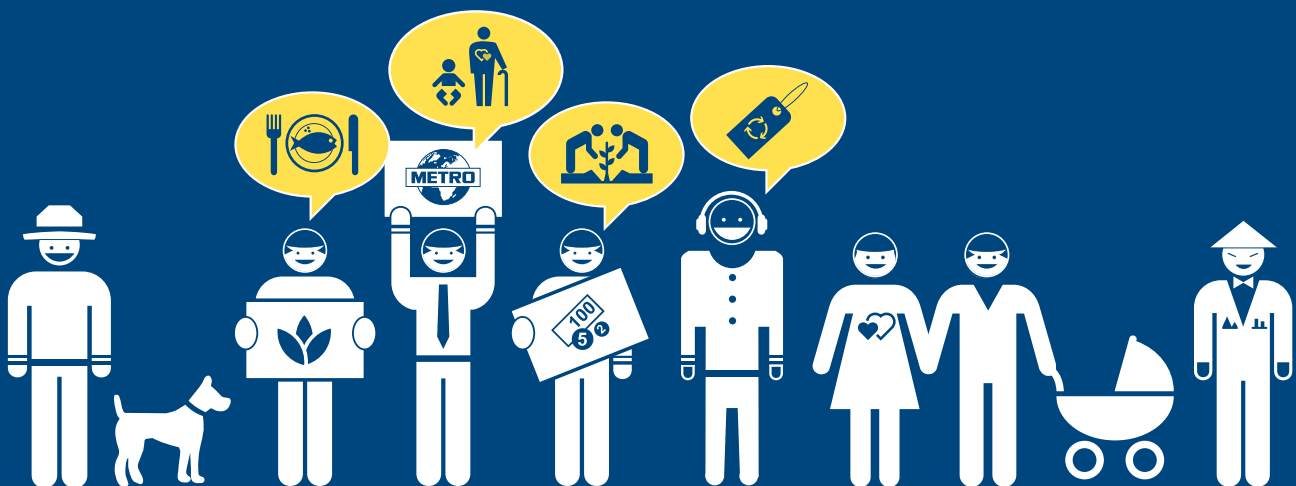
## Join in the dialogue

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 progress report sustainability 2011 and our sustainability activities in general.

To share your thoughts, use one of our online dialogue tools or send us an e-mail:

[www.metrogroup.de/sustainability](http://www.metrogroup.de/sustainability)  
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