

METRO GROUP
MADE TO TRADE.

SUSTAINABILITY REPORT 2012





THE COVER:

The fisherman represents the thousands of people within our supply chains in all corners of the world whose hard work and commitment in the procurement and production of goods ensure our customers receive products of reliable quality and safety. As far as we are concerned, handling raw materials and goods responsibly and valuing the services rendered by each and every individual are part and parcel of sustainable procurement.

p. 1	Letter from the Management Board
p. 3	Global challenges – corporate engagement
p. 13	The Management Board of METRO AG
p. 14	Review

p. 16 OUR ATTITUDE

p. 17	METRO GROUP's structure
p. 18	Our sustainability vision
p. 20	Our sustainability management
p. 22	Five entrepreneurs – one goal
p. 24	Responsible corporate governance

p. 25 OUR APPROACH

p. 26	Supply chain and products
p. 27	Selected measures and projects
p. 30	Energy and resource management
p. 31	Selected measures and projects

p. 34	Employees and social affairs
p. 35	Selected measures and projects
p. 38	Social policies and stakeholder dialogue
p. 39	Selected measures and projects

p. 42 OUR RESULTS

p. 43	Key performance indicators
p. 45	Company
p. 46	Supply chain and products
p. 46	Energy and resource management
p. 51	Employees and social affairs
p. 56	Social policies and stakeholder dialogue
p. 57	METRO GROUP's carbon footprint
p. 59	Goals
p. 67	UN Global Compact – Communication on Progress 2012
p. 71	GRI G3 Content Index
p. 78	Imprint

This document represents METRO GROUP's publication of its full Sustainability Report 2012, produced on the basis of the requirements of the Global Reporting Initiative (GRI G3). This version contains all key performance indicators and goals reported on by the Company as well as the UN Global Compact Communication on Progress 2012 and the GRI Content Index.

An abbreviated version of the METRO GROUP Sustainability Report 2012 is also available in print.

DEAR READERS,

.....

In the financial year 2012, METRO GROUP has had to stand its ground in a dynamic environment marked by various macroeconomic and social challenges. The challenging situation throughout the industry has strengthened our determination to press ahead with the transformation of METRO GROUP into a consistently customer-oriented and forward-looking retail and wholesale company. In the process, we have yet again firmly acknowledged the importance of sustainability for our business. We regard it crucial for our long-term business success that we link economic aspects with sustainable environmental and social requirements. As far as our day-to-day business activities are concerned, this means that when we consider the global challenges we face, we need to identify the economic parameters alongside the social and environmental factors that are relevant to our business.

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THE CLEARER WE MAKE THE AIMS
OF OUR ACTIVITIES, THE EASIER IT IS
TO ACHIEVE CHANGE.

The clearer we make the aims of our activities, the easier it is to achieve change. With this in mind, we have developed a binding Group-wide sustainability vision that provides managers and employees with a framework and code of conduct for implementing our sustainability strategy. In this report on METRO GROUP's commitment to sustainability, we document how we work together with our sales lines to enhance the quality of life of our customers, employees and people who work for us while protecting the environment and the society we live in. At the same time, the report fulfils our commitment to the UN Global Compact to document our progress in complying with its 10 principles. The report also complies for the first time this year with the requirements of the Global Reporting Initiative. Its contents reflect the sustainability issues that METRO GROUP considers to be of major importance. Key performance indicators and goals show what we have accomplished so far and what we are looking to achieve in the future: it is by these standards that we allow ourselves to be measured. We therefore invite you to judge our achievements in the area of sustainability for yourselves and engage in a productive dialogue with us.

OUR SUSTAINABILITY VISION PROVIDES MANAGERS AND EMPLOYEES WITH A FRAMEWORK AND CODE OF CONDUCT FOR IMPLEMENTING OUR SUSTAINABILITY STRATEGY.

FOR METRO GROUP,
OUR SALES LINES AND OUR COLLEAGUES
DÜSSELDORF, MARCH 2013


Olaf Koch
Chairman of the
Management Board of
METRO AG


Mark Frese
Chief Financial
Officer


Heiko Hutmacher
Chief Human
Resources Officer

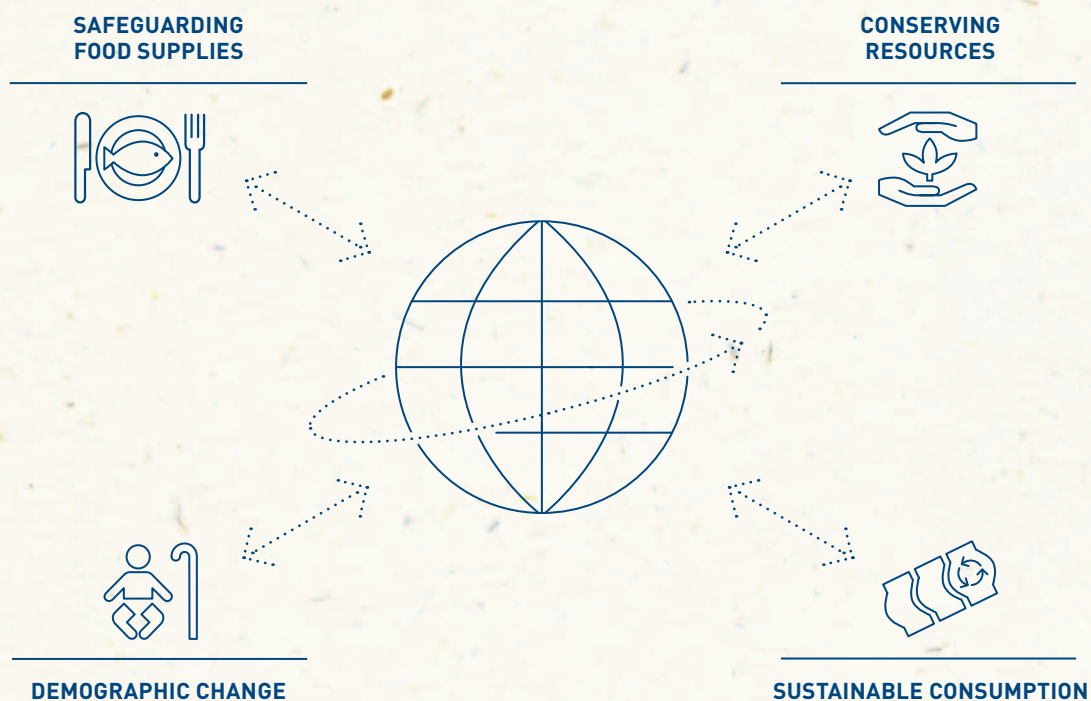

Frans W. H. Muller
Member of the
Management Board

Our international success has a strong base

278,811 dedicated employees at more than 2,200 locations in 32 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.



FOCUSED ON GLOBAL CHALLENGES



METRO GROUP faces a wide range of demands from customers, employees, investors and partners. They expect us to run a profitable business whilst also acting in a manner that is socially and environmentally sound. They also want us to offer them a wide range of products and services with reliable safety and quality.

We can only satisfy these demands if we continue to follow our path towards being a sustainable company. For us this means above all contributing to finding solutions to current global challenges as part of our core business. On the following pages, we provide examples of how we put this pledge into practice.





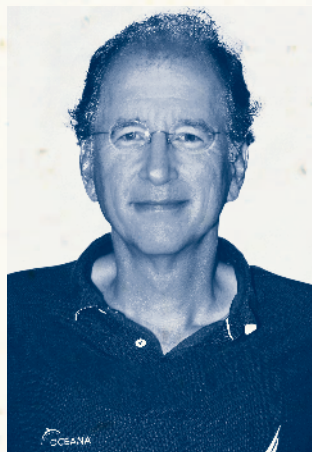
METRO
Warenannahme
Tiefkühl / Molkereiprodukte



Global challenges:
Safeguarding food supplies

»We should be able to take
a balanced meal for granted.
However, it's not something
everyone can afford.«





Andrew Sharpless

»The world will need 70 percent more food to meet its coming food security needs for the earth's projected 9 billion people by 2050 according to the United Nations Food and Agriculture Organization. But the resources needed to create that additional food are increasingly scarce or involve developing lands that have irreplaceable natural value, like rainforests. More frequent droughts due to climate change and the transfer of arable lands from agriculture to biofuels will also reduce the land available to grow crops and graze livestock. Meanwhile, the poorest billion people on earth already depend on fish as their primary source of animal protein. Fish have provided acceptable and often inexpensive sustenance for humanity since the dawn of time. We need to bring wild fish stocks back from the brink of collapse, so that they may continue to serve as the world's major source of protein consumption for years to come.«

Andrew Sharpless
Chief Executive Officer of Oceana



The growing global population is demanding ever more food and other consumer goods. At the same time it is becoming harder to manufacture the corresponding range of products due to the decline in natural resources. Our commitment to securing food supplies starts with our suppliers: in a nutshell, we need to improve yields per unit area and increase the share of marketable goods without plundering natural resources. Therefore, we help producers improve their own processes. At the next stage of the supply chain we invest in efficient transport, packaging and merchandise management systems to maintain the quality of the food for as long as possible. We donate products that are about to reach their best before date and are still edible to food banks. We also run campaigns to sensitise our customers to handling food responsibly to prevent waste from being produced in the first place.

Management Board of
METRO AG



»Sometimes food gets left on the shelf and then can't be sold any more – even if there's absolutely nothing wrong with the products. I am happy to make sure that it doesn't go to waste.«

The food bank network "Bundesverband Deutsche Tafel e. V." collects perfectly good, surplus food and distributes it to those in need. METRO GROUP has been supporting the association for 6 years as a main sponsor – both financially and through food donations. At the international level, our sales line METRO Cash & Carry is also committed to food banks. By distributing food to charitable initiatives, we help people in need and at the same time prevent food from being wasted.

Tafel

Sparkasse
Dortmund

METRO

Warenannahme
Tiefkühl / Molkereiprodukte





stermilch

Drinks



Global challenges:
Conserving resources

»Taking a little energy on board
can be so simple. But that
shouldn't be at the expense of the
environment and the climate.«



Kande K. Yumkella

»Rapid increases in population, combined with a corresponding expansion of production and consumption patterns, are pushing our planet's natural carrying capacity to its limits.

An average of 10 tonnes of material is consumed globally per capita every year, global material consumption will nearly triple in the next 30 years and industrial activity already consumes one-third of the world's total delivered energy. Additionally, the release of toxic substances into the air and water by industrial activity is causing heightened levels of pollution and climate-related catastrophes in many regions of the world. Seen in this light, it is imperative that economic growth be decoupled from both unsustainable resource usage and negative environmental impacts. Transformative partnerships between the public and private sectors are needed now more than ever to scale up and mainstream more sustainable modes of production into business operations worldwide.«

Kande K. Yumkella
Director-General of the United Nations
Industrial Development Organization
(UNIDO)



As a retail and wholesale company we are reliant on the long-term availability of resources. They are components of our products and they drive our business in the form of energy. Along the supply chain there are 4 core areas in which our responsible handling of resources is directly or indirectly relevant: in the cultivation and manufacture of products, in logistics, in the management of our locations and in the disposal of waste. We also see the sustainable handling of resources as an economic opportunity. For that reason, we are committed to promoting the regenerative capability of resources, to deploying them efficiently, to discovering and tapping into alternatives and to thinking in process cycles. We also see major potential in the deployment of new technologies and the use of alternative energy sources and forms of energy generation.

Management Board of
METRO AG





»We are economical in our use
of energy. Often small measures
can have a big impact.«

We use fans in our chillers that dissipate the heat generated during the cooling process. By replacing all our standard fans with a more efficient model, we save more than 3,000 MWh of electricity in Germany as a whole. That is about the same as the average annual consumption of 850 German households. Even though the little fan is not visible, it makes a big contribution to the reduction of electricity use and thus costs.

Buttermilch

Milch-Drinks







Global challenges:
Demographic change

»Actively shaping your life and
growing old without a care –
that doesn't need to be wishful
thinking.«





Prof. Sarah Harper

»The ageing of Europe's population will decrease the working age population by 48 million by 2050, and the EU-27 will change from having 4 to only 2 persons of working age for each aged 65+. There is thus a widespread assumption that Europe's population ageing will lead to a demographic deficit, whereby working age population is insufficient to support the increasing proportion of older dependants. In addition, the internationalisation of the skills market may also encourage European skilled workers to move outside the region and reduce Europe's ability to attract skilled migrants. However, future changes in the labour market are unknown. Technological advances may reduce the number of workers required to support the economy, and the pool of workers may grow through increased female participation, lowering entry age into work, or raising retirement age. The determining factor will be the ability of the EU to adapt to its new demographic future.«

Prof. Sarah Harper
Director of the Oxford Institute of Population Ageing, University of Oxford



Demographic change is affecting both the structure of our staff and the structure of our customers. Ethnic diversity is on the rise, whilst the distribution of young and old and the relationship between men and women is shifting. In order to satisfy the diverse needs of consumers, our sales lines are tailoring their concepts, product ranges and marketing strategies to meet the expectations of local customers. As a responsible employer we also pursue a forward-looking HR policy – with a systematic development of managers as well as targeted further and advanced training. By creating an attractive working environment, we also promote the diversity of our staff. In this way, we can benefit yet further from the various strengths and ideas of our employees and thus safeguard our competitiveness in the long run.

Management Board of
METRO AG





»I have now been at METRO for 10 years and I still enjoy my work because I have the opportunity to constantly learn new things – whenever and wherever it best suits my working day.«

More than 17 percent of all METRO GROUP employees fall within the age group of 50 years and older. We offer our employees targeted support through individual qualification measures to maintain their performance throughout their entire working life. This includes, for example, e-learning. This computer-based training lets our employees improve their skills whenever and wherever they like. Training content includes consultation, sales and product knowledge.







Global challenges:
Sustainable consumption

»Healthy, affordable, good for the environment: making the right choice when shopping is not always child's play.«



Michael Kuhndt

»All consumption has social and ecological impacts. It can only be sustainable if it operates within the Earth's range of tolerances. It is essential to consider the economic and social value of the use of goods as compared to their impact on the environment and society – sustainability should not be attained at the expense of quality of life across the entire supply chain. Efficient production and efficient products are important for sustainable consumption. However, there is even greater potential for development in the societal context. Lifestyles need to be considered in holistic terms: How will we feed and clothe ourselves in future? How will we produce heat or communicate, and what form will mobility take? In order to find sustainable solutions, retail and wholesale companies, manufacturers, politics, science and consumers need to interact.«

Michael Kuhndt
Head of the Collaborating Centre on
Sustainable Consumption and Production,
Wuppertal



Using and consuming goods is a part of life. Our core business is providing people with products and services that enhance their quality of life. At the same time we want to offer them an environmentally and socially sustainable form of consumption. We meet this challenge in a number of ways: we trace where our resources come from and record how efficiently they are used for the manufacture of our products and at our locations. We monitor under what conditions goods are produced and exert influence to ensure they are properly disposed of. In dialogue with various stakeholder groups we also pursue the objective of sensitising consumers to issues around responsible consumption.

Management Board of
METRO AG



»We advise our customers to enable them to make sustainable purchasing decisions. That pays – both in their wallet and for the environment.«

Our sales line Media-Saturn is systematically adding energy-efficient and resource-conserving devices to its product ranges. These includes, for example, washing machines and dishwashers as well as combination fridge freezers. In specialist consultations the employees explain to their customers the connection between purchase price and cost savings from lower energy consumption. In this way, Media-Saturn promotes sustainable purchasing decisions and contributes to the careful handling of resources.

Klare Aussage.
Täglich tief!

529.-

MediaMarkt

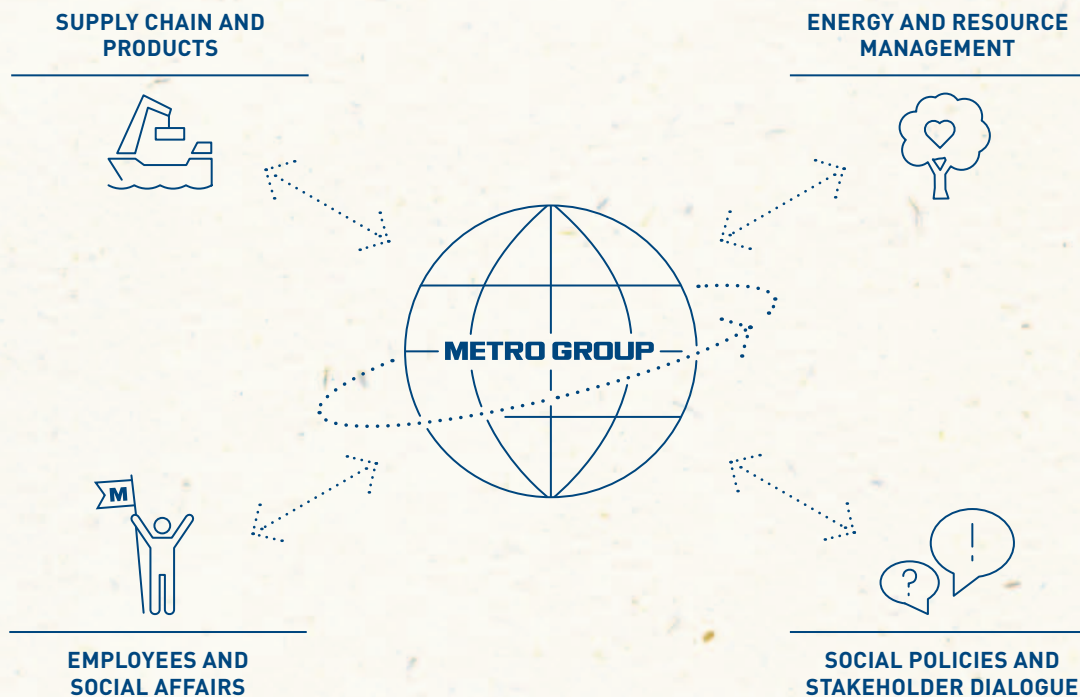


Fachberatung.



A+++
Super
sparsam

COMMITTED IN ALL FIELDS OF ACTION



Sustainability has many facets. A range of activities and cooperative partnerships as well as the commitment of each individual contribute to achieving predefined milestones and constantly driving METRO GROUP forward in the interests of its stakeholder groups.

Our commitment is not an end in itself. Instead we always keep our sights on our economic objectives alongside social and ecological factors. This enables us to firmly establish our responsible behaviour in our overall strategic approach and open up new opportunities for the future core principles and development of our business.



The Management Board of METRO AG (from left to right):
Frans W. H. Muller (Member of the Management Board),
Mark Frese (Chief Financial Officer),
Olaf Koch (Chairman of the Management Board of METRO AG),
Heiko Huttmacher (Chief Human Resources Officer).

REVIEW

SUSTAINABILITY IN THE FINANCIAL YEAR 2012

Q1/2012

GROUP-WIDE GUIDELINE ON QUALITY ASSURANCE



24/01/2012 The Quality Assurance Committee and the Compliance Department of METRO AG publish a Group-wide guideline on quality assurance. This sets down common standards as well as the most important principles and areas of responsibility relating to quality assurance. It additionally standardises existing systems. The sales lines are encouraged to develop their own systems for quality control.

TOP EMPLOYER IN GERMANY 2012



20/03/2012 The CRF Institute (Corporate Research Foundation) this year again acknowledges METRO GROUP for its outstanding and modern human resources management. Every year since 2003, the institute has certified companies with excellent HR strategies and practices.

Q2/2012

COOPERATION WITH UTOPIA



31/05/2012 In order to increase the proportion of energy-saving electronic products in private households and to provide consumers with targeted information, Saturn and the sustainability portal Utopia launch a cooperative partnership. In future particularly energy-efficient products will display the “Utopia empfiehlt” (Utopia recommends) logo in the Saturn online shop.

PROTECTING BONITO STOCKS



05/06/2012 In conjunction with the Turkish marine research institute TÜDAV, METRO Cash & Carry launches the “Where are the Bonito?” project. With their initiative the cooperation partners seek to boost awareness of the endangerment of this tuna variety and to protect bonito stocks. The project’s aim is to fit around 4,500 fish with radio chips by 2015 to track the development of the stocks.

Q3/2012

GALERIA KAUFHOF ON THE INCLUSION MAP



11/07/2012 Galeria Kaufhof becomes Germany’s first retail company to be represented on the inclusion map of the German Federal Government Commissioner for Matters relating to Disabled People. 78 outlets of the sales line already offer shopping support for the blind and visually impaired.

TRAINING MEAT SUPPLIERS



08/08/2012 METRO Cash & Carry trains meat suppliers in India as part of the “Meat Suppliers Development Initiative”. The topics of the training courses are innovative processing techniques, aspects of food safety and hygiene, and international trends in the HACCP quality standard.

TRAINING PROVIDER OF THE YEAR 2012



18/09/2012 The trade journal “Lebensmittel Praxis” awards the headquarters of the sales line Real the distinction “Training provider of the year”. The hypermarket operator wins the accolade for special training services in food retailing for the fourth time.

Q4/2012

AGREEMENT ON WASTE REDUCTION



09/10/2012 At the EU Retail Forum for Sustainability, METRO GROUP signs an agreement to help reduce the amount of waste generated by domestic households. The Company makes a commitment to increase the number of its measures aimed at boosting consumer awareness about the issue by mid-2014. For instance, by helping the “Deutsche Stiftung Verbraucherschutz” (German Foundation for Consumer Protection) to develop educational programmes for schoolchildren.

INCLUSION IN THE CARBON DISCLOSURE LEADERSHIP INDEX FOR DACH



15/10/2012 METRO AG is now listed in the newly published Carbon Disclosure Leadership Index for DACH, which includes the most transparent companies from the German-speaking area in the field of climate strategy and greenhouse gas emissions.

INVOLVEMENT IN FLIP4NEW



16/10/2012 Media-Saturn acquires a stake in the recommerce provider FLIP4NEW. Saturn customers are now able to exchange their used electronic devices and media in the online shop for a shopping voucher. The service for buying used products via FLIP4NEW is planned to be established across all sales lines in future.

COMPLIANCE DAY 2012



08/11/2012 In 2012, METRO GROUP’s annual Compliance Day takes place under the motto “Compliance & You”. As part of numerous local events, Compliance Officers from 32 countries brief the employees on the Company’s business principles.

SHOPPING FOR ALL GENERATIONS



09/11/2012 In 2012, 28 Galeria Kaufhof department stores are awarded the “Generationenfreundliches Einkaufen” (Shopping for all generations) quality mark. Across Germany, 77 outlets have already been awarded this certificate and make shopping for older people and people with disabilities as pleasant as can be with as few barriers as possible.

“COTTON MADE IN AFRICA”



14/11/2012 Real participates in the “Cotton made in Africa” (CmiA) initiative and joins a network of textile companies that source and process sustainably farmed cotton and market it with the CmiA seal. The aim of the initiative is to improve the living conditions of African cotton farmers.

EXCELLENT SUPPLY CHAIN MANAGEMENT



07/12/2012 The METRO Cash & Carry sales line is awarded the accolade Best Sustainable Supply Chain 2012 for its fresh fish supply chain in Vietnam. In Vietnam, the company operates a fish platform, is involved in developing quality standards for aquaculture and the fish industry and provides training for the employees of fish farms and fishery associations.

METRO GROUP 2012
OUR
ATTITUDE

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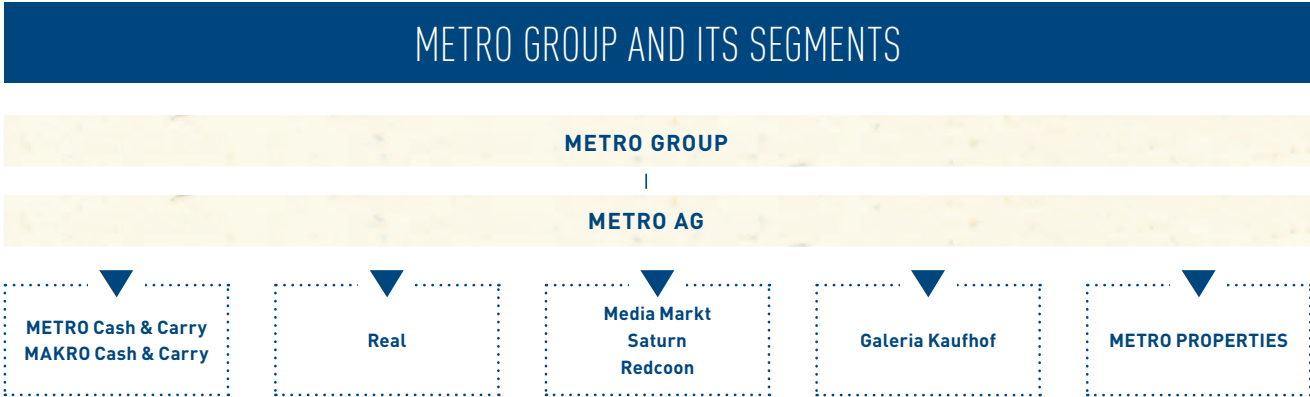
METRO GROUP'S STRUCTURE

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

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

- Media-Saturn is Europe's No. 1 consumer electronics retailer. A decentralised organisational structure, attractive offers, a diverse range of top brands and innovative marketing contribute to the sales line's success.
- Galeria Kaufhof is one of the leading department store operators in Europe. All of its outlets boast highly competitive, international product ranges and high-quality own brands.

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



OUR SUSTAINABILITY VISION



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

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

Our vision statement is:

METRO GROUP.
We offer quality of life.

— FOR OUR CUSTOMERS

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

— FOR OUR EMPLOYEES

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

— FOR ALL WHO WORK FOR US

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

— FOR SOCIETY

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

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

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

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

METRO GROUP

WE OFFER QUALITY OF LIFE

FOR OUR CUSTOMERS

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

FOR OUR EMPLOYEES

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FOR SOCIETY

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



Supply Chain
and Products



Energy- and
Resource Management



Employees and
Social Affairs



Social Policies and
Stakeholder Dialogue

OUR SUSTAINABILITY MANAGEMENT

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

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

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

SUSTAINABILITY BOARD

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

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

PREPARATORY COMMITTEE

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



WORKING GROUP 1

Supply Chain
and Products



WORKING GROUP 2

Energy and
Resource Management



WORKING GROUP 3

Employees and
Social Affairs



WORKING GROUP 4

Social Policies and
Stakeholder Dialogue

develop plans of action, monitor implementation, report and advise

TOPIC-SPECIFIC PROJECT GROUPS

consisting of experts from METRO GROUP

SALES LINES AND SERVICE COMPANIES

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

METRO **makro**

real-

MediaMarkt
SATURN **redcoon**

GALERIA
KAUFTOPF

METRO PROPERTIES

FIVE ENTREPRENEURS – ONE GOAL

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



FRANS W. H. MULLER

CEO of METRO Cash & Carry

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

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



DIDIER FLEURY

CEO of Real

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

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



HORST NORBERG
CEO of Media-Saturn

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



LOVRO MANDAC
CEO of Galeria Kaufhof

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



JEAN-CHRISTOPHE BRETXA
CEO of METRO PROPERTIES

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

RESPONSIBLE CORPORATE GOVERNANCE

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

Standards for acting sustainably

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

Information, consultation and training

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

Group-wide compliance organisation

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

METRO GROUP 2012
OUR
APPROACH

2

SUPPLY CHAIN AND PRODUCTS



SAFEGUARDING QUALITY – CREATING TRANSPARENCY



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

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

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

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



SUPPLY CHAIN AND PRODUCTS

SELECTED MEASURES AND PROJECTS



SUSTAINABLE PROCUREMENT

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



FAIR WORKING CONDITIONS

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

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



EFFICIENT TRADE STRUCTURES

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



SUPPLY CHAIN AND PRODUCTS

SELECTED MEASURES AND PROJECTS



SUPPLY CHAIN TRANSPARENCY

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

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



ALL-ENCOMPASSING APPROACH

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

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

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



SUPPLY CHAIN AND PRODUCTS

SELECTED MEASURES AND PROJECTS



RESPONSIBLE CONSUMPTION

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

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



SUSTAINABLE TEXTILES

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

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

ENERGY AND RESOURCE MANAGEMENT



REDUCING EMISSIONS – CONSERVING RESOURCES



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

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

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

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



ENERGY AND RESOURCE MANAGEMENT

SELECTED MEASURES AND PROJECTS



NEW CLIMATE PROTECTION GOAL

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

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

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



EFFICIENT USE OF ENERGY

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

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



LESS PAPER

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



ENERGY AND RESOURCE MANAGEMENT

SELECTED MEASURES AND PROJECTS

of the paper procured by MGA already fulfils these criteria.



NATURAL COOLING

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

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



MORE EFFICIENT REFRIGERATION

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



IDEAS AND ACTION WANTED

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

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



ENERGY AND RESOURCE MANAGEMENT

SELECTED MEASURES AND PROJECTS

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



LOW-ENERGY LIGHTING

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

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



A WIN-WIN SITUATION

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

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

EMPLOYEES AND SOCIAL AFFAIRS



PROMOTING VALUE ORIENTATION – REINFORCING WILLINGNESS TO PERFORM



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

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

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

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



EMPLOYEES AND SOCIAL AFFAIRS

SELECTED MEASURES AND PROJECTS



CHANGING THE CORPORATE CULTURE

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



COMMITMENT TO GREATER DIVERSITY

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



REORGANISATION OF THE GROUP HOLDING COMPANY

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

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



FAIR WORKING CONDITIONS

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



EMPLOYEES AND SOCIAL AFFAIRS

SELECTED MEASURES AND PROJECTS

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



EXCHANGE AMONG EXECUTIVES

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

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



SUPPORT IN CARING FOR FAMILY MEMBERS

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

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

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



EMPLOYEES AND SOCIAL AFFAIRS

SELECTED MEASURES AND PROJECTS



STORE TRAINING SESSIONS TO ACHIEVE TAILORED SERVICE

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



EXEMPLARY INCLUSION

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

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

SOCIAL POLICIES AND STAKEHOLDER DIALOGUE



SEEKING INTERACTION – NETWORKING WITH PARTNERS



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

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

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

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



SOCIAL POLICIES AND STAKEHOLDER DIALOGUE

SELECTED MEASURES AND PROJECTS



PREVENTING WASTE

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



GROUP-WIDE COMPLIANCE

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



LOCAL PRESENCE IN THE MARKET

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



SOCIAL POLICIES AND STAKEHOLDER DIALOGUE

SELECTED MEASURES AND PROJECTS



ALLIANCE FOR CONSUMER EDUCATION

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



ACHIEVING IMPROVEMENTS TOGETHER

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



GREATER ENERGY EFFICIENCY TOGETHER

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



SOCIAL POLICIES AND STAKEHOLDER DIALOGUE

SELECTED MEASURES AND PROJECTS



NEW FROM OLD

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



HEALTHY IN VIETNAM

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



COMMITMENT TO CHILDREN

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

METRO GROUP 2012
OUR
RESULTS

3

KEY PERFORMANCE INDICATORS

The chapter “Key performance indicators” provides information about METRO GROUP’s sustainability commitment in the form of key performance indicators (KPIs). It includes KPIs relating to the Company’s economic performance and our 4 fields of action.

The KPIs reported here are based on data that is gathered through a range of internal systems and central guidelines. The data is usually collected systematically every quarter for each sales line and country, and in some cases every month. The KPIs presented are generally based on data gathered for the whole METRO GROUP. For some consumption data, however, extrapolations are needed if only incomplete primary data is available. In very limited cases no reliable primary data is available that we can use to extrapolate consumption. Such consumption is therefore not included in the KPIs. The table “Data range” provides information about the coverage level of the respective KPI (see p. 44).

Some of the figures presented in previous sustainability reports differ from those contained in this report. In the reporting year we have also been able to retrospectively close data gaps for 2011 and thus further enhance the data quality. We also update data retrospectively if changes to methodology substantially impact the data reported. For this report we have included other companies or consumption levels not previously recorded in some KPIs. Wherever possible we present these KPIs with extended coverage, including for previous years. We have made it clear where measured or read-out data is not available for the previous years.

We do not have all measured or read-out data for energy consumption by the Media Markt and Saturn consumer electronics stores which are tenants in shopping malls. For that reason the coverage level of the energy-related KPIs is less than 100 percent. Similarly, there is no data relating to the quantities of paper not procured centrally by Media-Saturn. Correspondingly, the coverage level of the carbon footprint KPIs is less than 100 percent.

To date we have only been able to present the KPIs on work-related accidents, continuing professional development and vocational trainees for employees in Germany. For that reason the coverage level of those is just 36 percent. We present the KPIs “continuing professional development” and “vocational trainees” from the reporting year 2011 onwards. Community investments has been included in 2012 for the first time.

The selling space figures used as a basis for a number of key performance indicators are average figures for the year. They differ from the reporting date figures given in the annual report.

We are constantly enhancing our data collection techniques to improve transparency and management of our sustainability commitment.

Data range

2010–2012 in %			
	2010	2011	2012
Economic value (value creation)	—	100	100
Community investment	—	—	100
Suppliers who passed the social audit	100	100	100
Carbon footprint	89	97	97
Energy	96	98	98
Waste	85	100	100
Recycling rate for waste	85	100	100
Water	83	100	100
Refill rate for refrigerants	88	100	100
Share of eco-friendly paper	96	100	100
Own fleet of lorries in Germany	100	100	100
Employees	100	100	100
Gender distribution in managerial positions	100	100	100
Staff turnover	100	100	100
Work-related accidents	39	39	36
Continuing professional development	—	39	36
Vocational trainees	—	39	36

Company

Economic value (value creation) in € million

Key performance indicator	2011	2012
Revenue from sales	65,926	66,739
Interest yields	133	123
Rent yields	488	489
Cost of sales	-51,924	-52,798
Selling expenses	-11,928	-12,393
Administration costs	-1,587	-1,664
Write-downs	-1,351	-1,636
Personnel expenses	-7,286	-7,495
Dividend payments	-442	-442
Interest expenditure	-713	-685
Income taxes	-732	-709
Investments (capex total)	2,095	1,437
Disinvestments (disposals of tangible assets and sales of companies)	566	817
Indebtedness (if any)	4,075	3,245
EBITDA	3,429	3,014
EBITDA (before special items)	3,651	3,292
EBIT	2,113	1,391
EBIT (before special items)	2,372	1,976
Pre-tax profits	1,473	810
Net profit for the period	741	101
Net profit for the period attributable to shareholders of METRO AG	631	3
Net profit for the period attributable to non-controlling shareholders	110	98
Profit per share in €	1.93	0.01
Sum of cash flows	-1,421	1,993

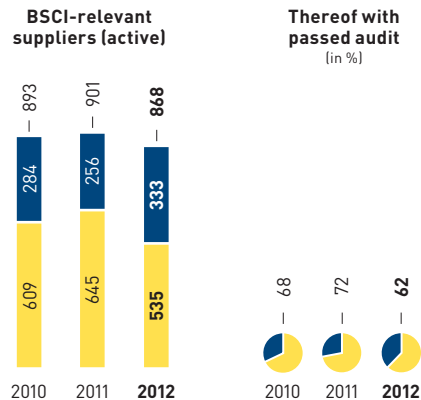
Community investment in € thousand

Charitable donations	2,315
Community investments	534
Commercial initiatives	4,790
Total	7,639

Supply chain and products

Social audits relating to own imports by MGB Hong Kong

■ Suppliers who passed the audit



Definition:

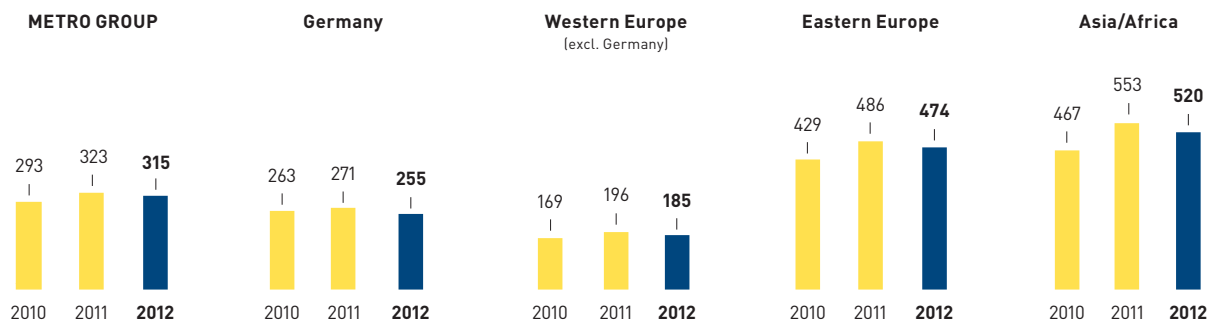
Status of BSCI audits of active suppliers for own imports by MGB Hong Kong from countries defined as risk areas by the BSCI. Active suppliers are defined as those who provided METRO GROUP with clothing, shoes, toys and hardware for the EU market as of 31 December of the year under review and generated actual sales as of this date. Suppliers who have passed the audit can demonstrate their successful compliance with the BSCI standard by presenting a certificate awarded by an independent third party. Alternatively, suppliers may produce a certificate issued by an independent third party attesting to successful compliance with an equivalent social standard system.

Explanation:

The audit is performed every 3 years. During this period the extent to which the standard requirements are fulfilled may fluctuate. For that reason future monitoring intervals will be shorter and we will provide regular training for our manufacturers as part of the ILO SCORE (Sustaining Competitive and Responsible Enterprises) project.

Energy and resource management*

Climate protection target – greenhouse gas emissions in kg CO₂ (CO₂ equivalent) per m² selling space**



Definition:

Greenhouse gas emissions from METRO GROUP's stores, administrative units and warehouses (by selling space) included within the climate protection target. Included are the emissions from electricity and heat energy consumption, also counting upstream chains and grid losses, coolant emissions from commercial cooling and air conditioning, fuel consumption by company cars, paper consumption for advertising material and photocopying paper as well as business trips. The calculation is done by METRO PROPERTIES Energy Management (see also the section on data recording, p. 43).

Explanation:

Given the revised climate protection target, the information in this report is only comparable to that in earlier reports to a limited extent. See the chapter "METRO GROUP's carbon footprint". Emissions are declining for most emission sources. The energy-saving measures are having an impact in the energy context, although these need to be carried forward. Further successes have also been achieved in terms of paper. Despite a reduction of the leakage rate, there has been an increase of emissions in the area of coolants. This is attributable mainly to a shift in the type of coolant leakage towards cooling agents with higher greenhouse gas emissions.

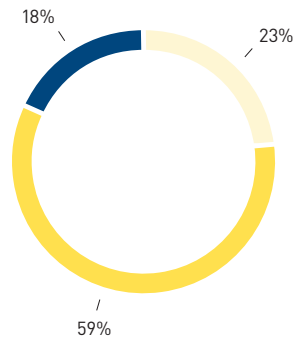
*The KPIs and goals relating to energy and resource management have been audited by the auditing firm KPMG AG Wirtschaftsprüfungsgesellschaft. The assurance report is part of the online version of the METRO GROUP sustainability report.

**In 2011 we altered the scope of the emission sources recorded. For the years before 2011, however, some primary data is not available. The reporting year 2010 therefore does not include emissions from company cars, some upstream chain emissions and network losses from direct and indirect energy sources and coolant losses from air-conditioning equipment.

Energy and resource management

Carbon footprint – emission sources included in the climate protection target

- Scope 1 = heating oil, natural gas, liquefied petroleum gas (LPG), refrigerant losses from commercial cooling, refrigerant losses from air conditioning, fuel consumption of company cars, emergency power generators
- Scope 2 = electricity consumption, long-distance heating and cooling
- Scope 3 = paper consumption for advertising materials and copying paper, business trips, upstream chain emissions and grid losses for all direct and indirect energy sources


Definition:

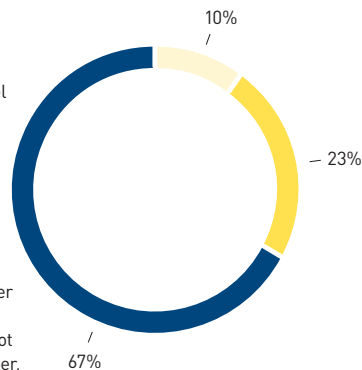
Distribution of the emissions relevant to the “20% by 2020” climate protection target to the respective scope in line with the methodology of the Greenhouse Gas Protocol. The new climate protection target covers the main emissions that can be influenced by us.

Explanation:

In 2012 the total quantity of CO₂ emissions included in the climate protection target amounted to around 4.0 million tonnes, of which Scope 2 made up the largest proportion with 59 percent.

Carbon footprint – all emission sources recorded

- Scope 1 = heating oil, natural gas, liquefied petroleum gas (LPG), refrigerant losses from commercial cooling, refrigerant losses from air conditioning, fuel consumption from our own fleet of lorries and company cars, emergency power generators
- Scope 2 = electricity consumption, district heating/cooling
- Scope 3 = all external logistics (incl. shipping and airfreight) paper consumption, business travel, purchased goods and services (not for sale) with the exception of paper, capital assets, upstream chain emissions and grid losses for all direct and indirect energy sources, waste, staff commutes, leased assets


Definition:

Distribution of the amount of all CO₂ emissions by Scope in line with the methodology of the Greenhouse Gas Protocol.

Explanation:

In 2012 the total quantity of greenhouse gases emitted amounted to around 10.3 million tonnes, of which Scope 3 made up the largest proportion with 67 percent.

Changes in the emissions included in the climate protection target

Emission sources	2011	2012
Electricity consumption	211.9	205.8
Thermal energy consumption	28.1	27.3
Company cars	7.1	7.2
Refrigerant leakage	48.8	50.2
Paper consumption	23.4	21.3
Business travel	3.8	3.0
	323.1	314.8

Change in %

-2.9
-2.6
2.3
2.8
-8.6
-22.2
-2.5

Definition:

Comparison of the area-specific CO₂ emissions of the emission sources included in the climate protection target over the base year 2011.

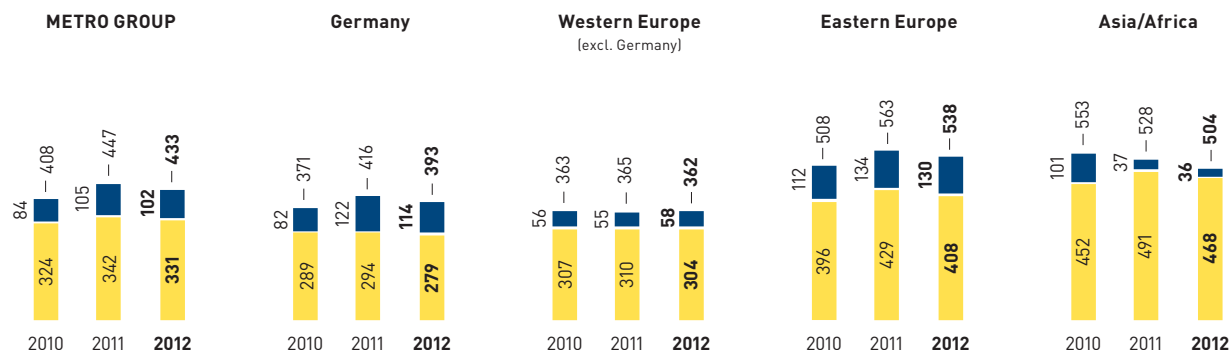
Explanation:

The climate protection target was revised in 2012. By 2020 METRO GROUP intends to reduce its area-specific emissions by 20 percent as compared to the base year 2011. In the first year we were able to save as much as 2.5 percent, which means we are within the target range we have set ourselves. For further details also see the KPI climate protection target – greenhouse gas emissions in kg CO₂ (CO₂ equivalent) per m² selling space.

Energy and resource management

Energy – electricity consumption in kwh per m² selling space/thermal energy consumption in kWh per m² selling space

■ Thermal energy ■ Electricity



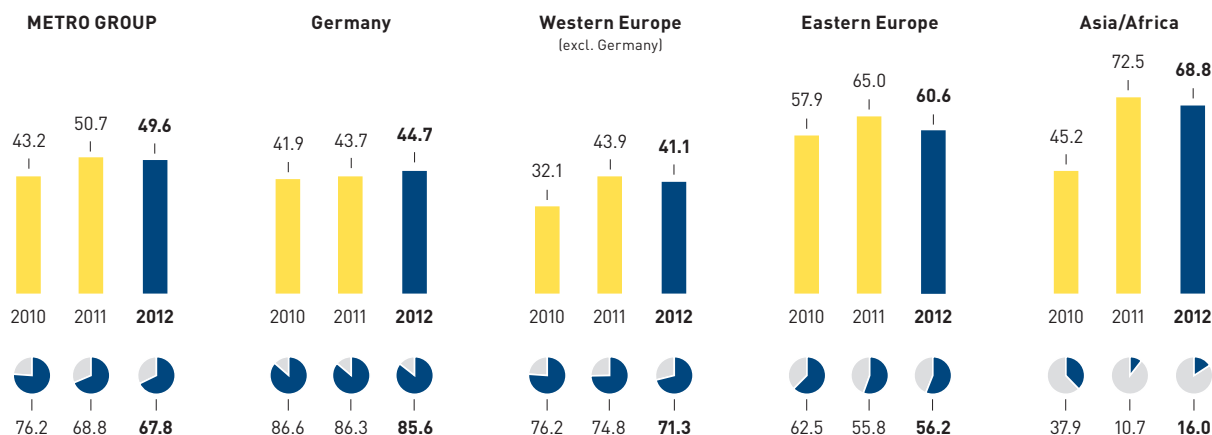
Definition:

Specific energy consumption of METRO GROUP's sites by selling space. The energy consumption consists of electricity consumption and heating and cooling energy consumption (heating oil, natural gas, liquefied petroleum gas [LPG], emergency power generators and long-distance heating/cooling).

Explanation:

The specific energy consumption in kWh per m² selling space was reduced by 3.4 percent as compared to 2011. This is partly due to measures from the energy-saving programmes. Examples are the fitting of glassdoors to refrigerators, changing the lighting system or fitting energy-efficient fans in the refrigerators. Overall the direct energy consumption from heating oil, natural gas and LPG was 1,014,916 MWh. 4,541,648 MWh was attributable to electricity, long-distance heating and cooling (indirect energy consumption).

Waste – amount of waste in kg per m² selling space/recycling rate in %



Definition:

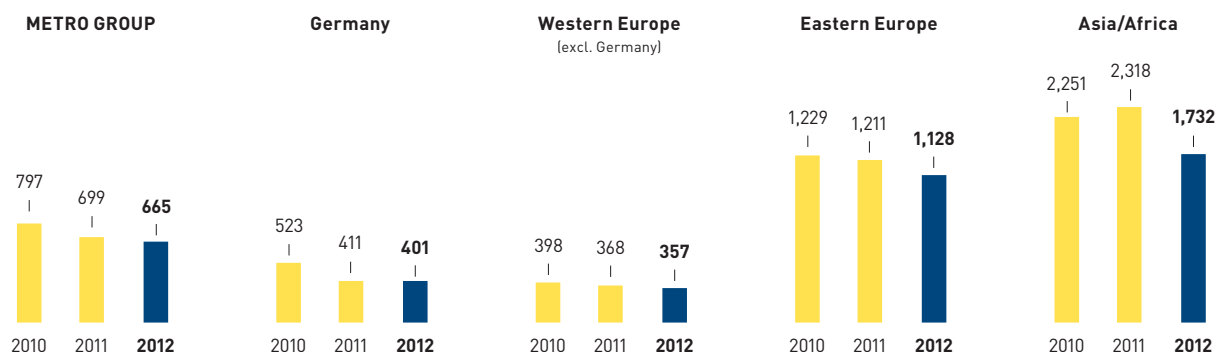
Specific amount of waste (sum of waste for disposal, for recycling or heat recovery, hazardous and organic waste) of the METRO GROUP sites by selling space. The recycling rate is calculated from the sum of waste for recycling and heat recovery and the organic waste as compared to the overall quantity of waste.

Explanation:

The specific amount of waste in 2010 is not comparable to 2011 and 2012 due to the improved data quality. In Asia/Africa in particular quantities had to be extrapolated for 2010. The space-specific amount of waste in 2012 declined slightly as compared to the previous year. However, the proportion of recycled waste also fell somewhat. In absolute terms 637,310 tonnes of waste were produced within METRO GROUP in the reporting year. This can be apportioned as follows: waste for disposal 144,674 tonnes, waste for recycling or heat recovery 358,518 tonnes, organic waste 73,758 tonnes, hazardous waste 60,360 tonnes.

Energy and resource management

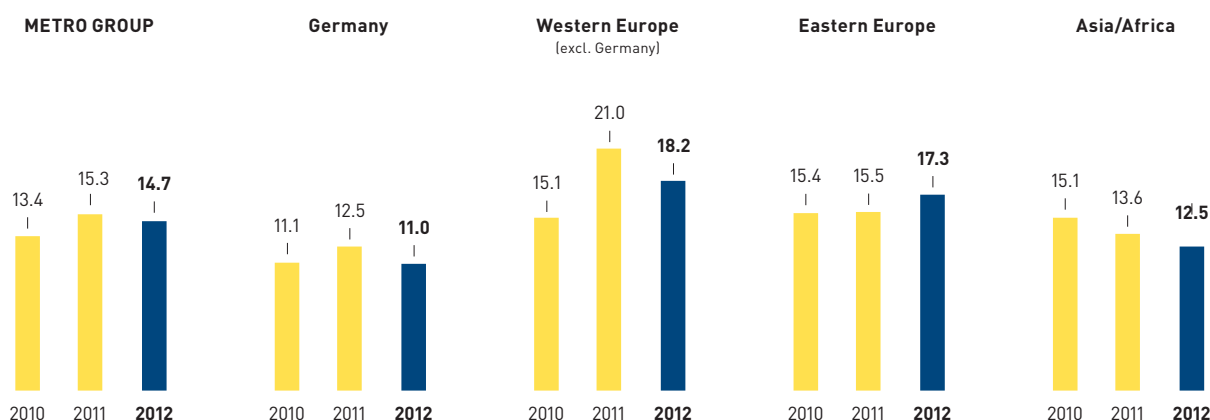
Water – water consumption in l per m² selling space



Definition:
 Specific water consumption by METRO GROUP sites by selling space.

Explanation:
 The specific water consumption fell by 5 percent over the previous year. This was achieved, for example, through improved recording of consumption and associated increased greater awareness among employees, identification and eradication of unnecessary water use and adjustments to the keeping of live fish. In absolute terms METRO GROUP consumed 8.5 billion l of fresh water. This is usually procured from the public drinking water supply. The quantity of fresh water roughly corresponds to the quantity of wastewater, which is usually drained into the public sewage system.

Refrigerants – refill rate in %*



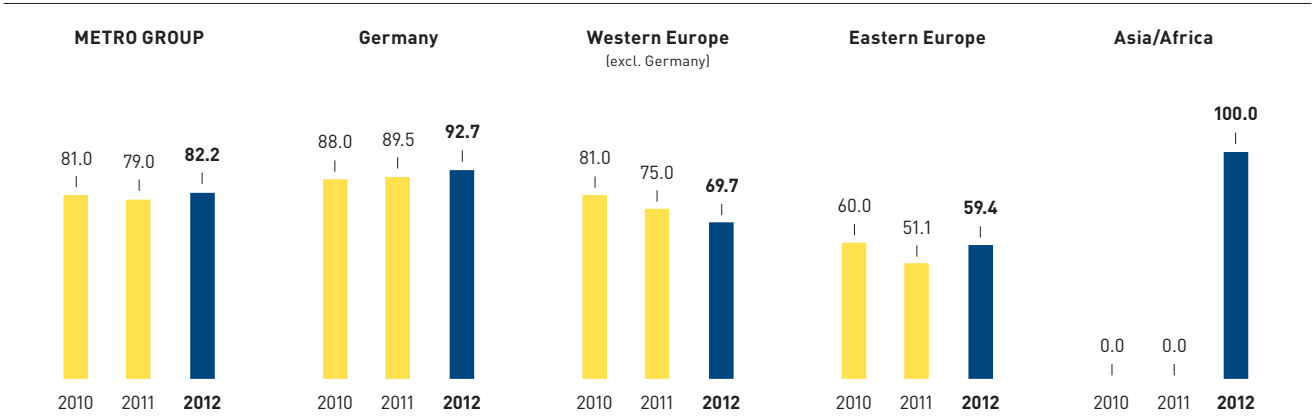
Definition:
 Quantity of refrigerants refilled in existing commercial refrigeration systems by the total filling quantities of the systems, excluding scheduled re-frigerant replacement. Refrigerants must be refilled following emissions due to leaks or malfunctions caused by damage to pipes, for example. The Media-Saturn sales line has no commercial refrigeration systems.

Explanation:
 The refill rate fell in Germany and Western Europe. This points to a successful implementation of the "Refrigerants" directive. The lower leakage rate in Asia/Africa was influenced above all by the increased number of new systems. Overall, however, the refill rate is not satisfactory.

*The reporting year 2010 does not include METRO LOGISTICS. This was included in the data gathering from 2011 onwards. No primary data is available for the years before 2011.

Energy and resource management

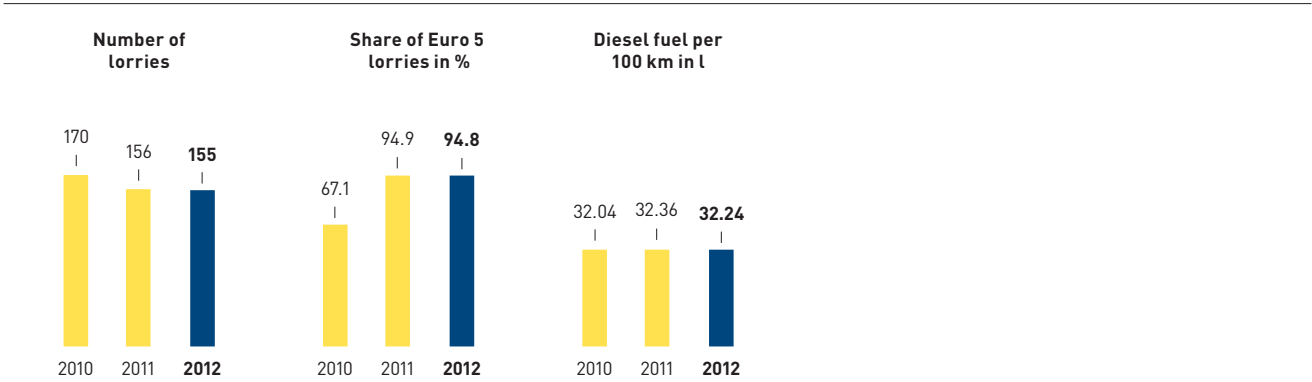
Paper – share of eco-friendly paper in %



Definition:
The following paper types are considered eco-friendly: newsprint (containing 65–100 percent recovered paper fibres) and magazine paper (FSC®-certified or made of pulp bleached without the use of chlorine and/or with a minimum recovered paper content of 20 percent). The percentage of these types of paper is calculated in relation to the total quantity of paper purchased via METRO GROUP Advertising (MGA). Office paper and paper not procured centrally by the sales lines are not included. The KPI therefore applies to 66 percent of the total paper quantity purchased by METRO GROUP.

Explanation:
We extended the use of eco-friendly paper in the reporting year. For example, paper for Asia/Africa was purchased centrally for the first time, and this was 100 percent eco-friendly. Overall MGA and the sales lines procured 266,758 tonnes of paper (excluding quantities not procured centrally by Media-Saturn) in the reporting year 2012. In the previous year this was 287,884 tonnes. The proportion of paper made from recovered paper fibres was 58 percent.

Own fleet of lorries in Germany

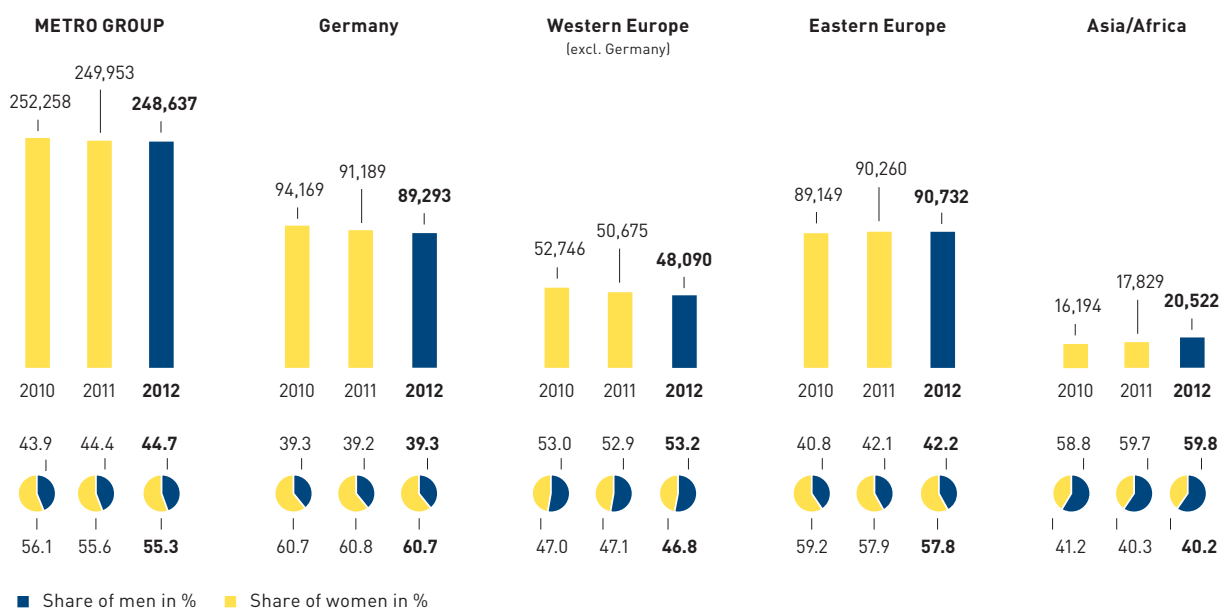


Definition:
Share of vehicles among the entire fleet of own company lorries of METRO LOGISTICS Germany GmbH (MGL) in Germany compliant with the European emission standard and the average diesel consumption per 100 kilometres driven.

Explanation:
The share of lorries that satisfy the Euro 5 emission standard and the average diesel consumption remained constant in the reporting year. The planned expansion and replacement of the fleet with Euro 6 lorries has had to be postponed due to delivery issues with the suppliers. The total Group-wide consumption of fuel for the own fleet of lorries and company cars was 56,885,584 litres in the reporting year. This corresponds to an energy consumption of 2,014,703 GJ. The kilometres driven are only available as reliable figures for Germany.

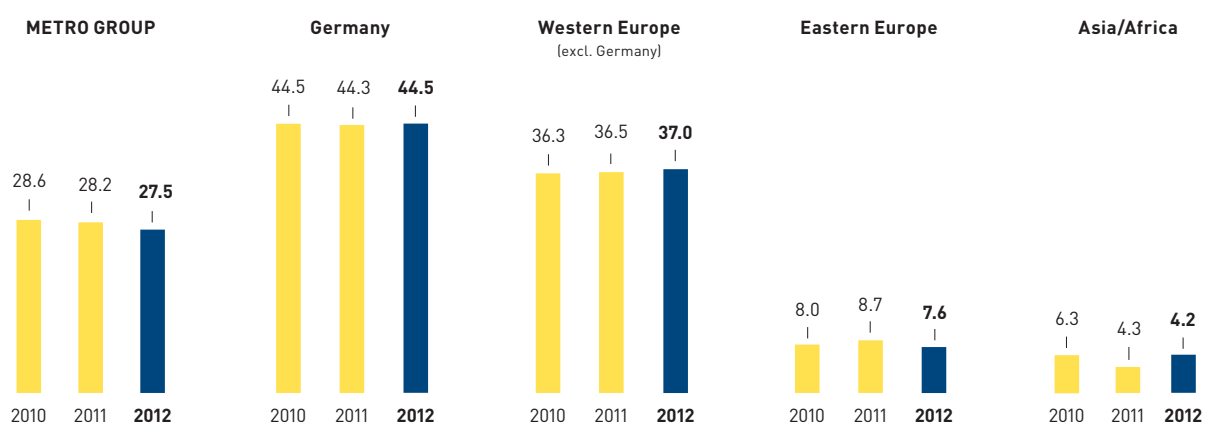
Employees and social affairs

Employees


Definition:

Full-time employees, average for the year, excluding trainees.

Part-time rate in %

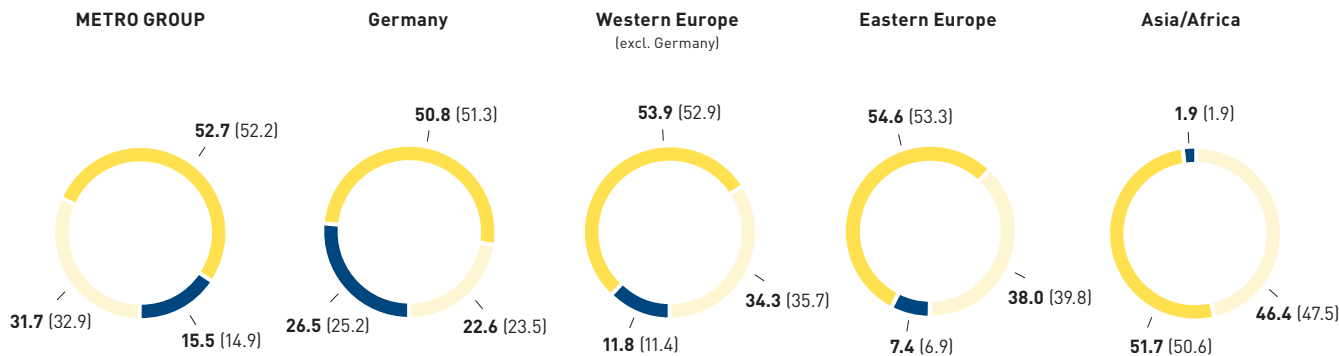

Definition:

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

Employees and social affairs

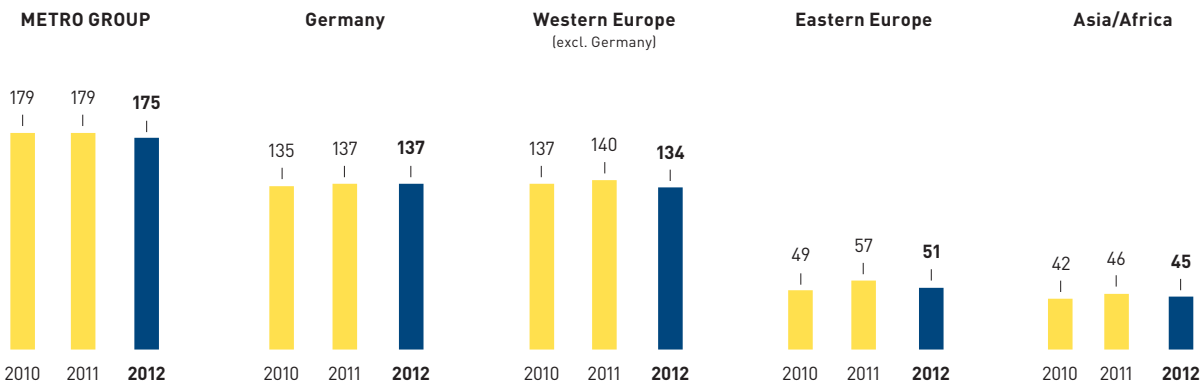
Employees by age group in %

< 30 years old 30–50 years old > 50 years old 2012 (2011)



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

Number of nationalities

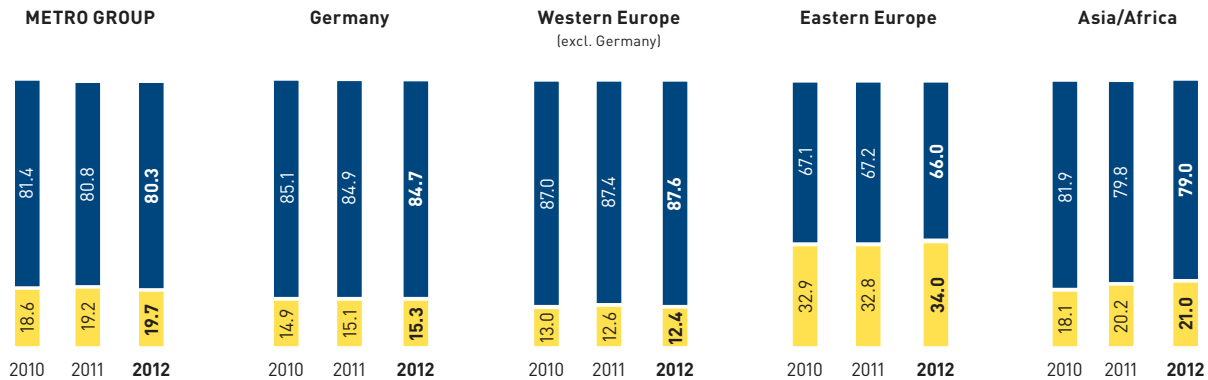


Definition:
Number of different nationalities among our employees, excluding trainees. As of closing date (31 December).

Employees and social affairs

Gender distribution in managerial positions in %

■ Share of men ■ Share of women



Definition:

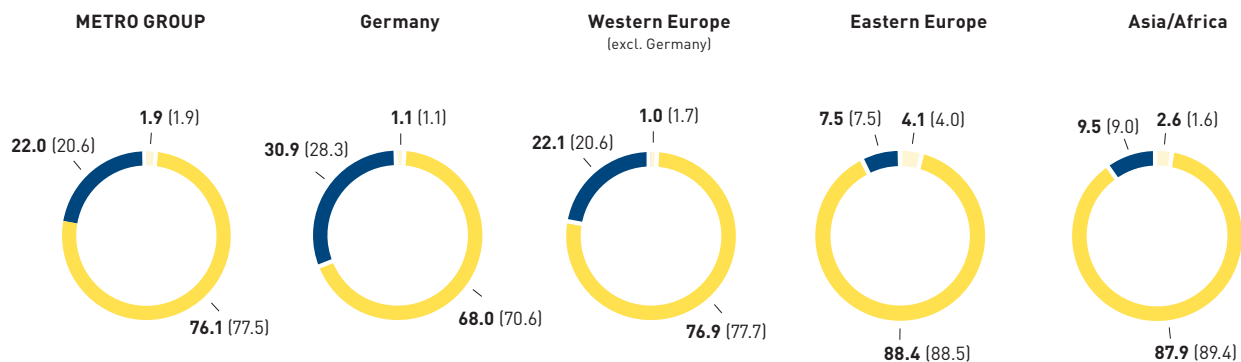
Managerial positions are those in levels 1–3 (Management Board, General Management, Divisional Management, Departmental Management and Store Management). The proportion of male and female employees in these positions is calculated (per capita as of 31 December).

Explanation:

The proportion of women in managerial positions rose once again in the reporting year. METRO GROUP has pledged to increase the percentage of women to 25 percent worldwide by the end of 2015.

Managerial positions by age group in %

■ < 30 years old ■ 30–50 years old ■ > 50 years old 2012 (2011)

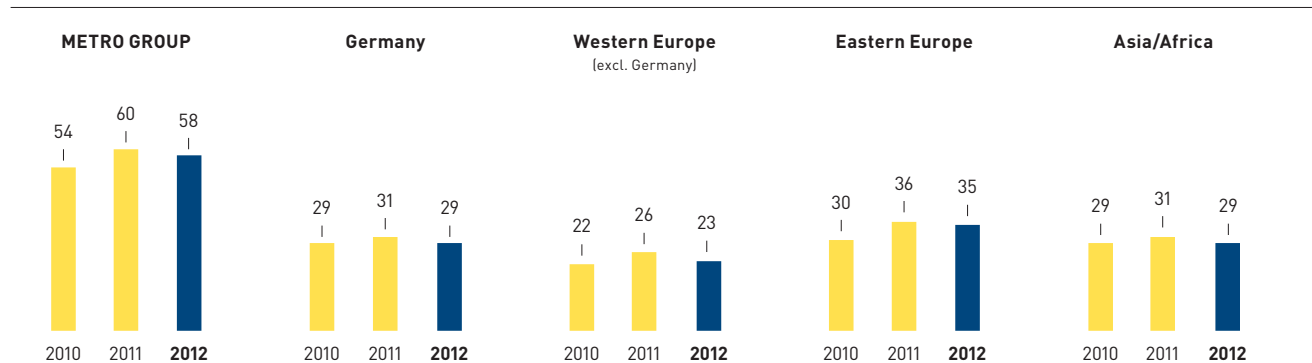


Definition:

Distribution of managerial positions by age group. As of closing date (31 December).

Employees and social affairs

Number of nationalities in managerial positions

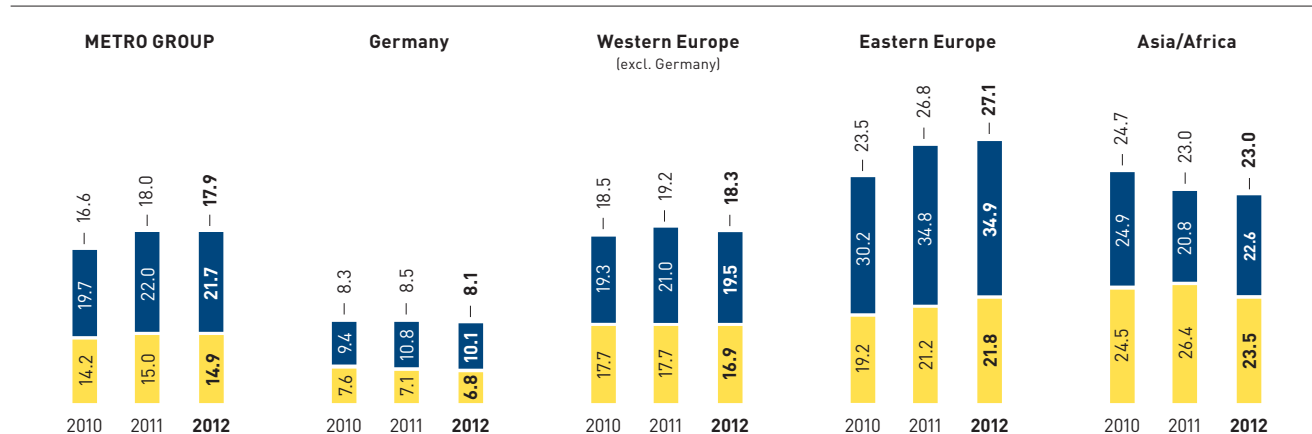


Definition:

Number of different nationalities among our managerial staff. As of closing date (31 December).

Staff turnover by region and gender in %

■ Share of men ■ Share of women



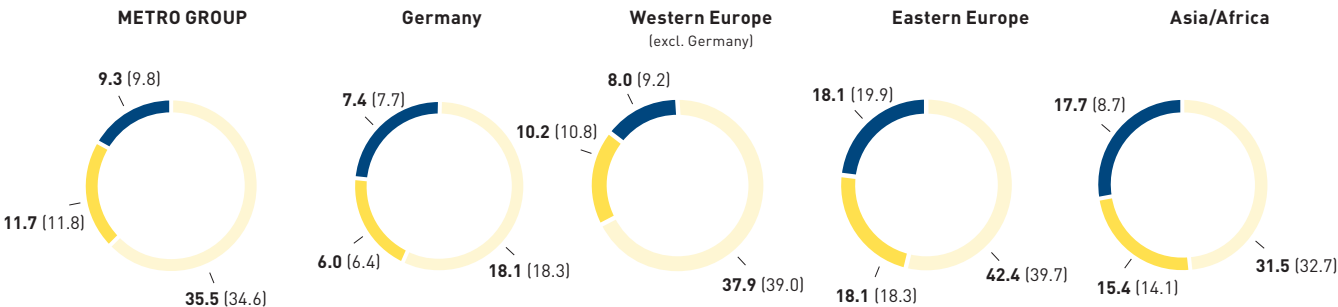
Definition:

Staff turnover is defined as all employees leaving, i.e. those who retire, die or resign/are dismissed. The staff turnover rate is the number of workers leaving in relation to the average number of employees. All employees currently on permanent contracts are included.

Employees and social affairs

Staff turnover by region and age group in %

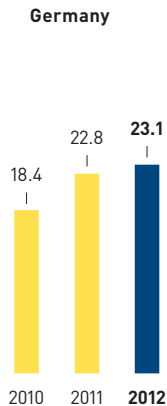
< 30 years old 30–50 years old > 50 years old 2012 (2011)



Definition:

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

Work-related accidents per 1,000 employees



Definition:

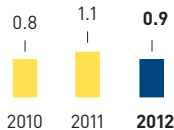
Number of reportable work-related accidents per 1.000 employees as compared to the number of full-time employees, average for the year.

Explanation:

Because of the widely varying definitions of "work-related accident" in the countries in which METRO GROUP operates, we are currently only reporting on this KPI for Germany. We are working on a Group-wide KPI.

Continuing professional development in Germany*

**Number of CPD
days per employee
per year**



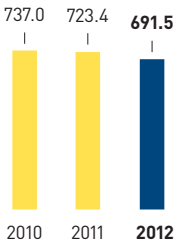
Definition:

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

Explanation:

For METRO GROUP, CPD is important from the perspective of a sustainable staffing policy. However, to date we have only been able to collate this KPI for Germany.

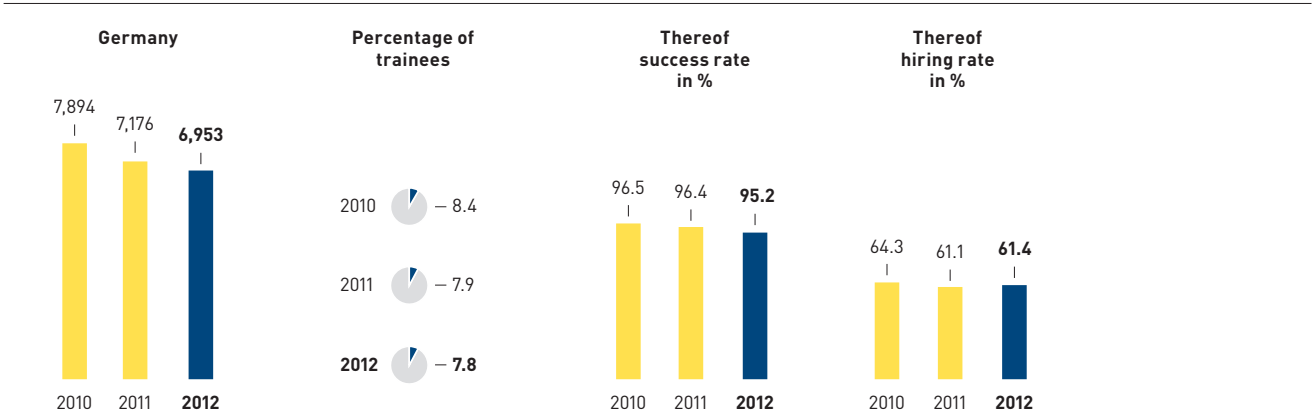
**Average CPD
expenditure in €
per employee
per year**



*Excluding Media Markt and Saturn

Employees and social affairs

Vocational trainees



Definition:
Based on the definition issued by the German Federal Statistical Office, trainees are people completing vocational training to qualify in a recognised occupation as per the German Vocational Training Act (Berufsbildungsgesetz).

Explanation:
Due to the widely varying definitions of “traineeship” we are currently only reporting on this KPI for Germany.

Social policies and stakeholder dialogue

This report includes KPIs for the “social policies and stakeholder dialogue” field of action for the first time.

Evaluation in relevant sustainability indices and rankings

Index/ranking	Current evaluation
Dow Jones Sustainability Index (DJSI)	63 points
Oekom Corporate Rating	Prime status rating C+
	Disclosure score 84
	Performance Band C
	Listed in the Carbon Disclosure Leadership Index
	Germany, Austria, Switzerland
Carbon Disclosure Project (CDP)	Above sector average in 10 out of 12 segments
Forest Footprint Disclosure	Participating. There is no individual assessment, just an overall assessment of the input.
CDP Water Disclosure	

Explanation:
As part of our stakeholder dialogue we notify the capital market about our sustainability management. In this way we obtain an evaluation of our sustainability activities from an independent third party.

METRO GROUP'S CARBON FOOTPRINT

New climate protection target

In 2012, the METRO GROUP Sustainability Board adopted a new climate protection target: we now plan to reduce our greenhouse gas emissions per square metre of selling space by 20 percent by 2020. The basis for this calculation is our level of emissions as measured in 2011. In terms of CO₂ equivalents, this means specifically: reducing our emissions from the current level of 323 kilograms of CO₂ equivalents per year to 258 kilograms of CO₂ equivalents.

METRO GROUP has been publishing its carbon footprint since 2008. It includes all the fundamental climate-damaging greenhouse gas emissions that we either directly or indirectly cause as part of our business activities. Our carbon footprint reporting is the basis for our goal of reducing our impact on the climate as much as possible. In 2011, we further professionalised our carbon footprint reporting and expanded it in line with the Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol. We also added a number of extra reports on additional emission sources. Therefore, it was also necessary to update the climate protection target that had been in place since 2008.*

We are only able to represent the years before 2011 to a limited extent in our extended reporting. This is mainly because we have no data from that period for the emissions sources that have been added since then. For that reason we have defined 2011 as the base year for the new climate protection target. Additionally, our previous climate protection target also included emission sources such as logistics. Emissions from logistics are increasing at a disproportionate rate due to our expansion into countries such as China and Russia, where

considerably longer transport routes are the norm. We therefore no longer include them in the new climate protection target. As our new target concentrates on emissions that are fundamental for us as a retail and wholesale company, and more importantly, we are able to directly influence, we are concurrently also able to improve the management of our climate-related activities. The new climate protection target includes emissions from

- the consumption of electricity, thermal energy, paper and refrigerant losses for commercial refrigeration and air conditioning,
- fuel consumption from company cars and emergency power generators as well as
- business travel.

These make up almost 40 percent of the total emissions detailed in the carbon footprint.

Methodology and scope

Our reporting is based on the standards laid down in the Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol. The emissions from all sales lines and service companies as well as the administration buildings are taken into account. In total, we include 19 different emission sources (see graphic on p. 58). Using the Group-wide Carbon Intelligence System (introduced in 2011) we record the energy consumption and other key environmental effects in almost all stores and department stores, administration buildings and warehouses. As more than 95 percent of the emissions in Scope 1 and Scope 2 relate to gathered data, the data quality is very good. Less than 5 percent involves extrapolations. The overall effect of all fundamental greenhouse gas emissions is reported in the form CO₂ equivalents.

*The climate protection target from 2008 planned a 15 percent reduction in greenhouse gas emissions per square metre of selling space by 2015 in comparison with 2006.

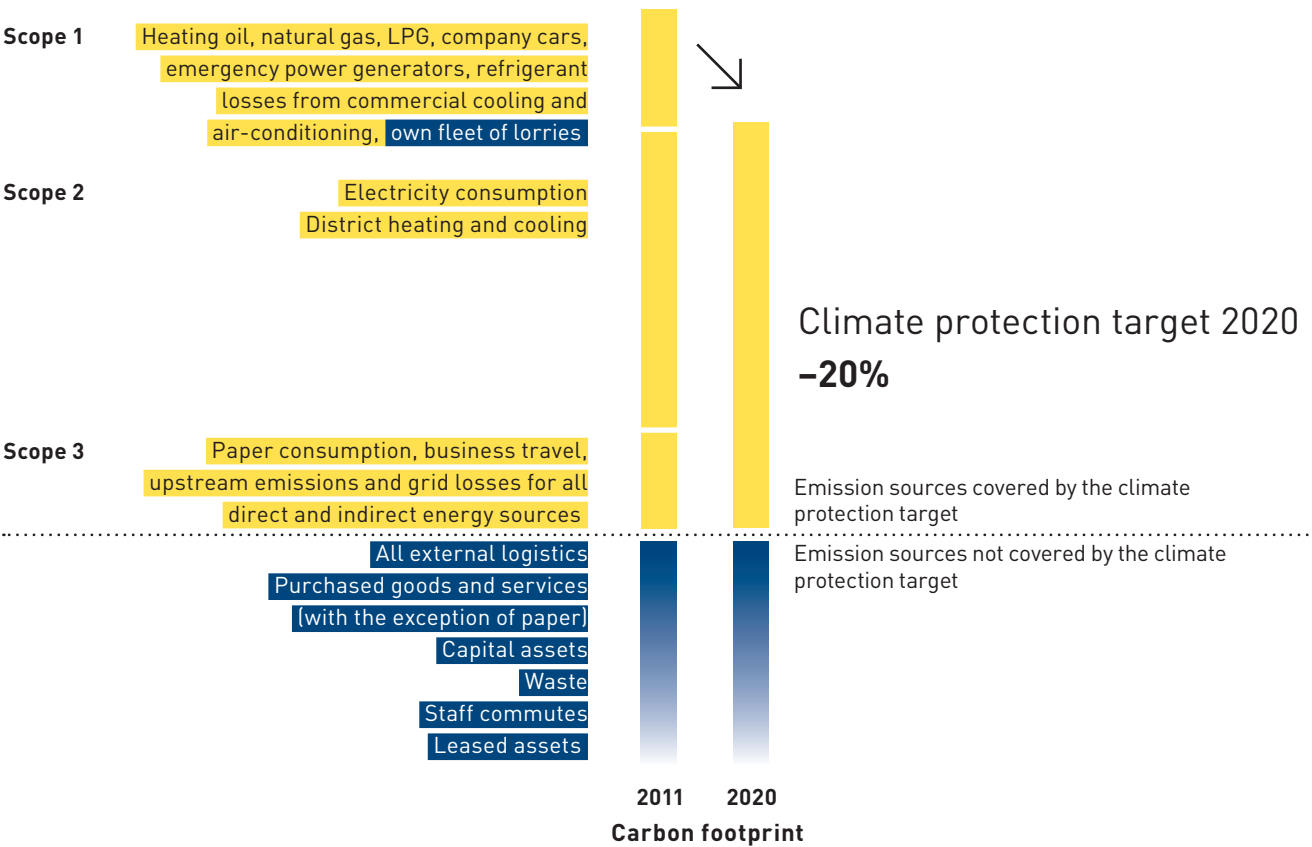
KPMG AG Wirtschaftsprüfungsgesellschaft has been auditing and certifying our carbon footprint since 2011. In addition, we have also been publishing our climate protection strategy and emission levels as part of the Carbon Disclosure Project (CDP) since 2006. The aim of the independent organisation of the same name is to create transparency in the way companies report climate-relevant data.

Developments in the reporting year

In 2011, METRO GROUP directly and indirectly caused 10.4 million tonnes of CO₂ equivalents. In 2012, the level of these emissions fell to 10.3 million tonnes. That corresponds to a reduction of 1.4 percent. We were able to reduce the emis-

sions under the new climate protection target yet further. We lowered the emissions per square metre of selling space by over 8 kilograms of CO₂ equivalents (2.5 percent) over 2011. Measures from the energy-saving programmes introduced in 2011, for instance, helped to reduce energy-related emissions by just under 7 kilograms per square metre of selling space. We achieved savings of a further 2 kilograms by reducing paper consumption. We still see potential for further optimisation in the level of emissions caused by leakages of refrigerants. Here the emissions per square metre of selling space increased by over a kilogram. Over the next few years, we intend to achieve a significant reduction in loss of refrigerants. We are also looking to use natural refrigerants more frequently.

METRO GROUP's carbon footprint and climate protection target



GOALS

Within each of our focused fields of action, we have set specific goals for the continuous improvement of our sustainability efforts – including targeted measures for achieving these goals. The current status of these goals and their associated measures is indicated in the following table.



Degree of goal achievement





Company

Theme	Goals	Status goal	Measures	Status measures
COMPLIANCE ORGANISATION AND MANAGEMENT	METRO GROUP continuously improves the effectiveness of its compliance management system.		— Implementation of the comprehensive communication strategy to educate employees by means of Group-wide awareness campaigns in various formats (e.g. Compliance Day), reports in newsletters, the intranet and employee magazines, etc.; to be continued in 2013.	
			— Introduction of Group-wide anti-corruption guidelines and enhancement of the Group-wide competition law compliance programme by the addition of extensive training programmes.	
			— Implementation of an internal control system to manage compliance risks within operational processes, including systematic checks, a dual-control principle and also the separation of functions. All processes of phase 1 have been completed, the processes of phase 2 are to be completed in 2013.	
			— Group-wide online survey of level 1, 2 and 3 managers to measure the progress of compliance at METRO GROUP. The results are reported to the Management Board and included in the Compliance Newsletter. The survey was conducted in 2012.	
			— Compliance check of business partners (based on compliance questionnaire) implemented; questionnaires collected from more than 15,000 suppliers/service providers; assessment to be completed in 2013.	
			— E-training platform for compliance training courses implemented in half of all METRO GROUP countries (first modules: anti-corruption and antitrust).	















Company

Theme	Goals	Status goal	Measures	Status measures
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. Since the beginning of 2012, this has been laid down in a risk management guideline. As of 2012, relevant sustainability-related risks are part of the risk inventory.	









Field of action: supply chain and products

Theme	Goals	Status goal	Measures	Status measures
CONSERVATION OF RESOURCES / FOOD SAFETY / SUSTAINABLE SOURCING	METRO GROUP continues to refine its strategy on sustainable fishing.		— Development of sales line-specific implementation guidelines for METRO GROUP's sustainable fishing purchasing policy.	
			— All METRO Cash & Carry countries must develop their own implementation plan for a sustainable fish strategy by May 2013.	
			— All METRO Cash & Carry countries must implement a specific plan for sustainable fish-buying practices by 2015.	
			— Targeted external and internal communication to raise awareness of sustainable fishing and fish products as part of the implementation of the fish strategy by 2015.	
	METRO GROUP develops and implements a general purchasing policy covering important resources.		— METRO GROUP is to develop a general purchasing policy covering important resources by December 2013.	
	METRO GROUP initiates and supports the development of an international, intersectoral and product-spanning technical solution for traceability.		— Based on the project steps realised so far (see chapter "Supply chain and products"), a pilot project is to be implemented in the fish category by the middle of 2014.	
	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 was launched in Russia. — Pilot project with 17 suppliers concluded in 2012. Plans for further project implementation developed.	
			— In 2011, a UNIDO partnership project with own-brand suppliers of METRO Cash & Carry was launched in India. — Pilot project with 10 suppliers concluded.	












Field of action: supply chain and products

Theme	Goals	Status goal	Measures	Status measures
CONSERVATION OF RESOURCES / FOOD SAFETY / SUSTAINABLE SOURCING			— In 2011, an IFC partnership project with suppliers of METRO Cash & Carry was launched in Ukraine. — 7 training workshops for 41 METRO suppliers conducted.	
			— In 2012, an IFC partnership pilot project with suppliers of METRO Cash & Carry was launched in Kazakhstan; it will run until March 2013.	
			— The Star Farm programme of METRO Cash & Carry was further expanded in 2010. Star Farm in Pakistan started in 2011. In future, training programmes will be offered by Star Farm on a regular basis.	
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.	
	Real Germany contributes to the development of more sustainable packaging.		— From 2011, conversion of several Real own-brand Tetra Pak/ combiblock packaging materials to the Forest Stewardship Council® standard.	
	METRO GROUP contributes to sustainable packaging.		— Implementation of a METRO GROUP packaging policy by December 2013.	
INTERNATIONAL LABOUR STANDARDS / SOCIAL STANDARDS	METRO GROUP intensifies its commitment to fair working conditions among its suppliers.		— Inclusion of all nonfood own-brand suppliers in a BSCI or equivalent social standard system by 2015 if the final product is produced in a risk country (definition of risk country according to BSCI). — Project starts with a pilot project in Germany.	
			— Implementation of internal procedures to monitor and document social standards throughout the entire supply chain has been improved by the introduction of an internal IT system (Quality Link).	
			— Survey of food suppliers regarding compliance with BSCI or equivalent social standard systems by December 2013.	
			— Development of a METRO GROUP purchasing policy for fair working conditions by December 2013.	






Field of action: energy and resource management

Theme	Goals	Status goal	Measures	Status measures
CLIMATE PROTECTION / RESOURCE MANAGEMENT	Improvement of data quality by up-grading primary-data coverage and increasing the quality of primary data for targeted management and increased planning security by the end of 2013.	✓	<ul style="list-style-type: none"> — Introduction of a new carbon emission measuring and calculation system with a shortening of reporting times in 2011 and 2012. — Carbon Intelligence System implemented. — Data collected at store level. 	
	METRO GROUP will reduce its GHG emissions by 20 percent from 323 kg/m ² in 2011 to 258 kg/m ² in 2020.	→	<ul style="list-style-type: none"> — Continuation of “low-hanging fruit programme” as “Energy-Saving Programme”; additional Energy Awareness Programme from 2013. — Introduction of new reduction target: for details refer to chapter “METRO GROUP’s carbon footprint”. 	
	METRO GROUP will reduce its GHG emissions caused by electricity consumption by 21 percent by 2020 compared to 2011.	→	<ul style="list-style-type: none"> — Continuation of “low-hanging fruit programme” as “Energy-Saving Programme”; additional Energy Awareness Programme from 2013. — Introduction of new reduction target: for details refer to chapter “METRO GROUP’s carbon footprint”. 	
	METRO GROUP will reduce its GHG emissions caused by heating energy consumption by 10 percent by 2020 compared to 2011.	→	<ul style="list-style-type: none"> — Continuation of “low-hanging fruit programme” as “Energy-Saving Programme”; additional Energy Awareness Programme from 2013. — Introduction of new reduction target: for details refer to chapter “METRO GROUP’s carbon footprint”. 	
	METRO GROUP continues to improve its energy management.	↻	<ul style="list-style-type: none"> — Expansion of collection and monitoring of energy consumption with the help of smart metering systems. By the end of 2012, 95 percent of stores around the world were equipped with such systems. 	
			<ul style="list-style-type: none"> — Raising the level of qualifications and responsibilities of employees through training courses. <ul style="list-style-type: none"> — Regular trainings of in-house technicians and annual energy checks. — Training courses for METRO Energy Management System almost finished. — Energy Awareness Programme starting 2013. 	
			<ul style="list-style-type: none"> — Development of uniform standards for new and remodelled buildings. <ul style="list-style-type: none"> — Standard Operating Procedure was published in February 2013. 	
			<ul style="list-style-type: none"> — Roll-out of successful efficiency measures. <ul style="list-style-type: none"> — Measures in 2012 including replacement of standard refrigerator fans with energy-efficient eco-fans. — In 2013, further energy-saving measures, e.g. LED lighting, air curtains. 	











Field of action: energy and resource management

Theme	Goals	Status goal	Measures	Status measures
CLIMATE PROTECTION / RESOURCE MANAGEMENT	Complete installation of the METRO GROUP Energy Management System (> 95 percent) in 2012.	✓	— By the end of 2012, 95 percent of stores around the world were equipped with this system.	
	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. — In 2013, integration in the standard operating procedure for construction and engineering (METRO Cash & Carry).	
	Revision of energy primer in 2012.	✓	— Content compiled and integrated into Energy Awareness Programme.	
	From 2015, use of natural refrigerants in the cooling systems of every new store.	🔄	— Review of technical feasibility. — Check in pilot countries.	
			— Conversion of pilot units. — 5 pilot stores in 2012.	
			— Conducting of life cycle analyses. Lifetime maintenance and repair, refill and costs analysis.	
	METRO GROUP will reduce its GHG emissions caused by refrigerants by 29 percent by 2020 compared to 2011.	➡	— Measures are not yet finally assessed and will be reported in next progress report. — Introduction of new reduction target: for details refer to chapter "METRO GROUP's carbon footprint".	
	From 2012, expansion of e-mobility at METRO GROUP in Germany.	✓	— Creation of loading infrastructure at the Düsseldorf location. — 5 charging stations installed in 2012. — Purchase of electric vehicles (initially 2 e-vehicles). — Installation of charging stations at new stores built between 2012 and 2015. — Participation in a tender process for e-mobility in German showcase projects.	
	By the end of 2011, METRO GROUP upgrades its fleet of trucks in Germany to meet the Euro 5 standard at the very least.	🔄	— By the end of 2012, 95 percent of trucks in Germany meet the Euro 5 standard. Because of the introduction of Euro 6 we changed to this standard. However, we have had to postpone the investment until 2013 because of availability problems.	
	METRO GROUP will reduce 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. In addition, drivers will be instructed once a year.	
	METRO GROUP will reduce its GHG emissions caused by company cars by 10 percent by 2020 compared to 2011.	➡	— Measures are not yet finally assessed and will be reported in next progress report. — Introduction of new reduction target: for details refer to chapter "METRO GROUP's carbon footprint".	













Field of action: energy and resource management

Theme	Goals	Status goal	Measures	Status measures
CLIMATE PROTECTION / RESOURCE MANAGEMENT	METRO GROUP continues to implement its environmental guidelines covering paper purchased for advertising material.		— 80 percent of paper for advertising material is environmentally optimised.	
			— Since 2008, Real Germany has reduced paper consumption by 11 percent by reducing the size of its advertising flyers.	
	METRO GROUP will reduce the GHG emissions caused by paper consumption by 11 percent by 2020 compared to 2011.		— Measures are not yet finally assessed and will be reported in next progress report. — Introduction of new reduction target: for details refer to chapter “METRO GROUP’s carbon footprint”.	













Field of action: employees and social affairs

Theme	Goals	Status goal	Measures	Status measures
OCCUPATIONAL HEALTH AND SAFETY	METRO GROUP will expand the key figures and reporting systems on health and safety (H&S) for METRO GROUP by the end of 2013.		— Alignment of H&S standards of METRO GROUP by setting uniform KPIs and providing more guidance and standards, preferably linked to the Occupational Health and Safety Assessment Series (OHSAS) 18002. — As part of this measure, employee health programmes and occupational safety in stores and warehouses will be checked and optimised.	
SUSTAINABILITY AWARENESS	METRO GROUP will raise awareness of sustainability and corporate social responsibility throughout the Company.		— Development of a concept and accompanying action plan in the first half of 2013 to raise employees’ awareness of sustainability and to further embed sustainability in daily business processes and decisions.	
DIVERSITY	METRO GROUP will continuously increase the number of women in managerial positions.		— Intensification of human resource marketing with a special focus on the target group of women and increased consideration of women in managerial development activities and successor planning. — The following measures were concluded in 2011 and 2012: — Testimonial Campaign “Women in Executive Positions” in 2011 focusing on diversity, women and international career opportunities at METRO GROUP. — Foundation of employee network “Women” in 2012 with Management Board commitment.	
			— As part of the DAX 30 voluntary commitment, the proportion of women in managerial positions [METRO managerial levels 1–3] is to be increased to 20 percent by the end of 2013 and to 25 percent by the end of 2015. In 2012, the proportion was 19.7 percent.	
	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 measures.	

Field of action: employees and social affairs

Theme	Goals	Status goal	Measures	Status measures
EMPLOYEE RETENTION	METRO GROUP will expand its further education activities for employees.		— Development of new training modules in the areas of customer management, sales and procurement as well as expansion of e-training modules.	
	METRO GROUP will further expand its professional development programmes for employees.		— In 2012, the decision was made to realign the Development Centre approach with the cultural change initiative – in line with METRO Cash & Carry's new Guiding Principles. After completion of this alignment process, the activities of the Development Centre will be resumed.	
			— Career development for employees with help of individual development plans.	
	METRO GROUP will continuously improve employee motivation in order to increase customer satisfaction and business success.		— Annual employee survey to measure employee motivation. Increase in employee motivation from 37 percent in 2010 to 70 percent in 2012.	
			— Preparation of action plans by employee teams to increase employee motivation.	
			— Based on the results of the survey conducted in 2011, this goal was accomplished in 2012 with more than 13,000 action plans prepared by the teams.	
FAIR WORKING CONDITIONS AND SOCIAL PARTNERSHIP	METRO GROUP will increase its commitment to fair working conditions and social partnership.		— A deepening of the work relationship with METRO GROUP's "Euro-Forum" European works council.	
			— Continued partnership with the international union organisation UNI Global Commerce.	
			— METRO GROUP has intensified its commitment to fair working conditions and social partnership. In 2012, METRO GROUP ran a self-assessment in all countries, and a flyer summarising the key facts on fair working conditions was distributed throughout the Company.	

Field of action: social policies and stakeholder dialogue

Theme	Goals	Status goal	Measures	Status measures
CORPORATE CITIZENSHIP	Assumption of corporate social responsibility by donating money and food while reducing food waste.		— Increased support for the Tafel and international food bank movement by internally addressing sales countries in an effort to expand or initiate such activities.	
			— The "Care & Share" programme at METRO Cash & Carry was successfully rolled out in 22 countries in 2011 and expanded to 25 countries in 2012; in 2013 it will be expanded to 27 countries.	
STAKEHOLDER DIALOGUE	METRO GROUP conducts dialogue with experts and stakeholders on the subjects of its fields of action.		— METRO GROUP representatives will meet with selected experts at least once a year to discuss issues related to global challenges that have been identified as relevant for the Company's business.	
	Increase in the number of development or cooperation partnerships.		— Regular meetings with development organisations such as UNIDO, GIZ, IDH (Dutch sustainable trade initiative), IFC and KfW and with cooperation partners like Bayer CropScience. — Meetings in 2012: — UNIDO: European Development Days Brussels; UN System Private Sector Focal Points Meeting. — GIZ: regular meetings and exchange as part of DIAE (German Initiative on Agriculture and Nutrition). — IDH: meetings and exchange in order to set up a cooperation on ASC products (Aquaculture Stewardship Council). — IFC: exchange on roll-out of cooperation in Ukraine and Kazakhstan. — With almost all partners: exchange and cooperation in the context of WEF (World Economic Forum).	
	Establishment of 79 customer advisory councils at Real Germany in 2011. Expansion to 154 councils in 2012 and 229 in 2013.		— Quarterly meetings of 10 to 15 Real customers from various age groups to discuss the improvement potential of local stores. — In 2012, the number of customer advisory councils already exceeded 220, so this goal is seen as reached.	
	METRO GROUP promotes customer awareness regarding waste prevention.		— In line with the Retail Forum Agreement on Waste: each sales line to conduct awareness-raising campaign with respect to its specific product portfolio by June 2014. — METRO Cash & Carry in Germany is conducting an initiative in collaboration with the German Federal Ministry of Food, Agriculture and Consumer Protection to educate the consumers about best-before dates.	

UNITED NATIONS GLOBAL COMPACT

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

With this Communication on Progress (COP) , METRO GROUP is complying with its obligation to disclose which guidelines and measures are improving its performance in the fields of human rights, labour standards, environmental protection and the fight against corruption. The COP also shows how METRO GROUP ensures that the 10 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, MARCH 2013



OLAF KOCH
CHAIRMAN OF THE
MANAGEMENT BOARD OF METRO AG



United Nations Global Compact Communication on Progress 2012

The following table contains sample commitments and management systems that aid compliance with the 10 principles, measures we have taken and results achieved in the 2012 reporting period.

United Nations Global Compact Communication on Progress 2012

Principle	Responsibilities and management systems	Measures in 2012	Performances 2012
Human rights and labour standards			
PRINCIPLE 1: Support of human rights PRINCIPLE 2: Prevention of human rights violations PRINCIPLE 3: Protection of the freedom of association and the right to collective bargaining PRINCIPLE 4: Elimination of all forms of forced and compulsory labour PRINCIPLE 5: Abolition of child labour PRINCIPLE 6: Elimination of discrimination	<ul style="list-style-type: none"> — METRO GROUP Corporate Principles — METRO GROUP Business Principles — Guideline on Antidiscrimination — METRO GROUP 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 — Social standards clause in supplier contracts — OECD Guidelines for Multinational Enterprises embedded in different corporate guidelines 	<ul style="list-style-type: none"> — Support of nonfood 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 with clothing, shoes, toys and hard goods for the EU market in the corresponding year) — After signing the "Charta der Vielfalt" (Diversity charter) in 2007, membership of the organisation of the same name in 2012 — DAX 30 voluntary commitment to increasing the proportion of women in management positions (METRO management levels 1–3) — Initiation of the "Frauen" (Women) employee network with a corresponding commitment of the Management Board — Involvement in the area of inclusion, cf. chapter "Employees and social affairs" 	<ul style="list-style-type: none"> — 62 percent of BSCI-relevant suppliers passed the BSCI social audit → See key performance indicators section "Supply chain and products" p. 46 — Implementation of internal processes in the monitoring and documentation of social standard systems along the entire supply chain through the introduction of systematic IT support (Quality Link) improved — Proportion of women in management positions increased to 19.7 percent → See key performance indicators section "Employees and social affairs" p. 51–56 — In two-thirds of countries 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 1 or more of the local employee representative bodies, for example the labour unions. — Commitment to fair working conditions and social partnership deepened, self-evaluation of METRO GROUP performed in all countries, Group-wide information via brochure on the key facts on fair working conditions — Continued social dialogue with international union organisation UNI Global Commerce at worldwide level — Participation in the UNI Global METRO Alliance Meeting in Berlin, where issues discussed included the commitment to fair working conditions and social partnership → See chapter "Employees and social affairs", 34–37

United Nations Global Compact Communication on Progress 2012

Principle	Responsibilities and management systems	Measures 2012	Performances 2012
Environmental protection			
PRINCIPLE 7: Precautionary environmental protection PRINCIPLE 8: Greater environmental responsibility PRINCIPLE 9: Diffusion of environmentally friendly technologies	— METRO GROUP Corporate Principles	— Revision and raising of climate protection target	— Greenhouse gas emissions reduced by 2.5 percent per square metre of selling space as compared to the previous year
	— METRO GROUP Environmental Guidelines	— Expansion of smart metering systems for collection and monitoring of energy consumption	— Smart metering systems implemented in more than 95 percent of all sales locations worldwide
	— Energy and environmental management systems	— Implementation of energy-saving measures (including the “energy-saving programme”)	— Energy consumption per square metre of selling space lowered by 3.4 percent as compared to 2011
	— Purchasing guidelines, for example fish purchasing policy	— Implementation of the fish purchasing policy, preparation of further purchasing guidelines	— Paper consumption reduced by 7 percent in absolute terms as compared to the previous year
	— International standards along the supply chain (GLOBALG.A.P., IFS)	— Committee functions (sustainable consumption, ocean protection, etc.)	— METRO GROUP qualified for the CDP Carbon Disclosure Leadership Index for the German-speaking countries
	— The Consumer Goods Forum Board Resolution on Deforestation	— Active support of ASC (Aquaculture Stewardship Council)	— Energy management of METRO PROPERTIES Energy Management GmbH recertified according to ISO 50001 and the environmental management systems at METRO Cash & Carry Denmark recertified according to ISO 14001
	— The Consumer Goods Forum Board Resolution on Sustainable Refrigeration	— Voluntary taking back of waste electronic goods at Media-Saturn	— BREEAM certificate secured for the M1 Shopping Centre managed by METRO PROPERTIES in Poznań, Poland
	— Retail Forum Agreement on Waste	— Cooperation of Media-Saturn with Utopia, Germany's largest sustainability portal, and klima:aktiv in Austria to publicise energy-saving devices	→ See chapter “Energy and resource management”, p. 30–33 → See key performance indicators section “Energy and resource management”, p. 46–50
	— Round Table on Sustainable Palm Oil (RSPO)	— Participation in the free taking back of LED and energy-saving bulbs in stores of Real Germany	— Sustainable Cocoa Forum co-founded by Real
		— Use of natural refrigerants such as CO ₂ or ammonia in 5 further stores	— Range of ecologically and socially certified products extended (for example GOTS products under the umbrella label of “natürlich GALERIA” (naturally GALERIA) at Galeria Kaufhof, textile products from “Cotton made in Africa” at Real)
		— Participation in the Forest Footprint Disclosure	— Partnership programmes for the sustainable production of food in cooperation with Bayer CropScience implemented in 12 countries
		— Installation of charging stations at various locations to promote electric mobility	→ See chapter “Supply chain and products”, 26–29

United Nations Global Compact Communication on Progress 2012

Principle	Responsibilities and management systems	Measures in 2012	Performances 2012
Anti-corruption			
PRINCIPLE 10: Anti-corruption measures	<ul style="list-style-type: none"> METRO GROUP Corporate Principles METRO GROUP Business Principles OECD Guidelines for Multinational Enterprises embedded in different corporate guidelines 	<ul style="list-style-type: none"> Second Group-wide Compliance Day held Introduction of Group-wide anti-corruption guidelines and enhancement of the Group-wide competition law compliance programme with extensive training programmes Compulsory face-to-face training sessions (up to 2.5 hours) for the relevant employees of METRO GROUP focusing on anti-corruption guidelines for dealing with officials/government agencies and business partners 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 survey among managers on levels 1, 2 and 3 to measure the progress of compliance, reported to the Management Board and included in the Compliance Newsletter 	<ul style="list-style-type: none"> Over 14,000 employees from all hierarchy levels across the Group received training on the anti-corruption guidelines by the end of 2012. This corresponds to over 80 percent of the entire target group. E-training modules on the prevention of corruption being attended by employees from 13 national companies → See chapter “Responsible corporate governance”, p. 24 → See chapter “Social policies and stakeholder dialogue”, 38–41

GRI G3 CONTENT INDEX

This sustainability report is based on the guidelines of the Global Reporting Initiative (GRI). For the first time METRO GROUP is reporting in line with the requirements of version 3.1 of the G3 guidelines, which represents a further step towards enhancing the transparency of the Company's sustainability commitment. The report satisfies the requirements of application level B.

The following table refers to information in METRO AG's sustainability report and annual report in respect of indicators and profile.

Profile Disclosure	Description	Reported	Cross-reference	Explanation
1. Strategy and analysis				
1.1	Statement from the Management Board.	Completely	[SR 2012 // Letter from the Management Board: pp. 1-2] [SR 2012 // Global challenges – corporate engagement: pp. 3-12]	
1.2	Key impacts, risks and opportunities.	Completely	[SR 2012 // Letter from the Management Board: pp. 1-2] [SR 2012 // Global challenges – corporate engagement: pp. 3-12] [SR 2012 // Our sustainability vision: pp. 18-19] [SR 2012 // Goals: pp. 59-66]	
2. Organisational profile				
2.1	Name of the organisation.	Completely	[SR 2012 // METRO GROUP's structure: p. 17] [AR 2012 // Information: p. 305]	
2.2	Primary brands, products and/or services.	Completely	[SR 2012 // METRO GROUP's structure: p. 17] [AR 2012 // Strategic Positioning of METRO GROUP: pp. 41-53] [AR 2012 // Group structure: p. 83]	
2.3	Structure of the organisation.	Completely	[SR 2012 // METRO GROUP's structure: p. 17] [AR 2012 // Group structure: p. 82]	
2.4	Location of organisation's headquarters.	Completely	[AR 2012 // Strategic positioning of METRO GROUP: p. 41]	
2.5	Countries where the organisation operates.	Completely	[AR 2012 // Group structure: p. 84]	
2.6	Nature of ownership and legal form.	Completely	[AR 2012 // METRO shares: p. 59]	
2.7	Markets served.	Completely	[AR 2012 // Group structure: pp. 83-84]	
2.8	Scale of the reporting organisation.	Completely	[AR 2012 // Employees: p. 111] [AR 2012 // Strategic positioning of METRO GROUP: pp. 41-53] [AR 2012 // Overview of the financial year 2012 and forecast: p. 81] [AR 2012 // Earnings position: pp. 100-101]	
2.9	Significant changes during the reporting period.	Completely	[AR 2012 // Letter to the shareholders: p. 3] [AR 2012 // Strategic positioning of METRO GROUP: pp. 41-53] [AR 2012 // Group structure: p. 82]	
2.10	Awards received in the reporting period.	Completely	[SR 2012 // Review: pp. 14-15] [AR 2012 // Strategic positioning of METRO GROUP: Real: p. 46] [AR 2012 // METRO shares: p. 60] [AR 2012 // Employees: p. 116] [AR 2012 // Supplementary and forecast report: pp. 167-168]	
3. Report parameters				
3.1	Reporting period.	Completely	[SR 2012 // Imprint: p. 78]	

Profile Disclosure	Description	Reported	Cross-reference	Explanation
3.2	Publishing date of previous report.	Completely		The progress report 2011 was published on 23/5/2012 and the last sustainability report on 23/11/2010.
3.3	Reporting cycle.	Completely		A sustainability report or a progress report is published once a year.
3.4	Contact point for the report or its contents.	Completely	[SR 2012 // Imprint: p. 78]	
3.5	Process for defining report content.	Completely	[SR 2012 // Global challenges – corporate engagement: pp. 3-12] [SR 2012 // Our sustainability management: pp. 20] [SR 2012 // Supply chain and products: pp. 26-29] [SR 2012 // Energy and resource management: pp. 30-33] [SR 2012 // Employees and social affairs: pp. 34-37] [SR 2012 // Social policies and stakeholder dialogue: pp. 38-41]	
3.6	Boundary of the report.	Completely	[SR 2012 // Imprint: p. 78] [SR 2012 // Key performance indicators: pp. 43-56] [SR 2012 // METRO GROUP's carbon foot print: pp. 57-58]	
3.7	Specific limitations on the scope or boundary of the report.	Completely	[SR 2012 // METRO GROUP's carbon foot print: pp. 57-58]	
3.8	Basis for reporting on joint ventures and subsidiaries.	Completely	[SR 2012 // METRO GROUP's structure: p. 17] [AR 2012 // Group structure: p. 82]	
3.9	Data measurement techniques and the bases of calculations.	Completely	[SR 2012 // Key performance indicators: pp. 43-56] [SR 2012 // METRO GROUP's carbon foot print: pp. 57-58]	
3.10	Effect of restatements of information provided in earlier reports.	Completely	[SR 2012 // Key performance indicators: pp. 43-56] [SR 2012 // METRO GROUP's carbon foot print: pp. 57-58]	
3.11	Significant changes from previous reporting periods.	Completely	[SR 2012 // Key performance indicators: pp. 43-56]	
3.12	GRI Content Index.	Completely	[SR 2012 // GRI G3 Content index: pp. 71-77]	
3.13	External assurance for the report.	Completely	[SR 2012 // Imprint: p. 78] Certification by the independent auditor	
4. Governance, commitments and engagement				
4.1	Governance structure of the organisation.	Completely	[SR 2012 // Our sustainability management: pp. 20-21] [AR 2012 // Group structure: p. 82] [AR 2012 // Corporate governance report: p. 76] [AR 2012 // Sustainability management: p. 121]	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Completely	[AR 2012 // Corporate governance report: p. 76] [AR 2012 // Corporate Boards of METRO AG and their mandates: pp. 257-261]	
4.3	Independent members of the highest governance body.	Completely	[AR 2012 // Corporate governance report: p. 76] [AR 2012 // Corporate Boards of METRO AG and their mandates: pp. 257-261]	
4.4	Mechanisms to provide recommendations or direction to the highest governance body.	Completely	[AR 2012 // Corporate governance report: p. 78] [AR 2012 // Report of the Supervisory Board: p. 65] [AR 2012 // Sustainability management: p. 121]	
4.5	Linkage between compensation for members of the governance body and the organisation's performance.	Completely	[AR 2012 // Remuneration report: pp. 134-141]	
4.6	Processes in place for the highest governance body to ensure conflicts of interests are avoided.	Completely	[AR 2012 // Corporate governance report: p. 77]	
4.7	Qualifications and expertise of the members of the highest governance body.	Completely	[AR 2012 // Corporate governance report: p. 76] [AR 2012 // Corporate Boards of METRO AG and their mandates: pp. 257-261]	
4.8	Internally developed statements of mission or values, codes of conduct and principles.	Completely	[AR 2012 // Employees: p. 117] [AR 2012 // Sustainability management: p. 122] [SR 2012 // Supply chain and products: pp. 26-29] [SR 2012 // UN Global Compact Communication on Progress 2012: pp. 67-70]	
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of sustainability performance.	Completely	[SR 2012 // Our sustainability management: pp. 20-21] [AR 2012 // Corporate governance report: p. 77] [AR 2012 // Sustainability report: p. 121] [SR 2012 // UN Global Compact Communication on Progress 2012: pp. 67-70]	

Profile Disclosure	Description	Reported	Cross-reference	Explanation
4.10	Process for evaluating the highest governance body's own performance with respect to sustainability performance.	Completely	[AR 2012 // Report from the Supervisory Board: p. 65]	No process for evaluating sustainability performance is currently implemented.
4.11	Implementation of precautionary approach or principles.	Completely	[SR 2012 // UN Global Compact Communication on Progress 2012: pp. 67-70] - Business Principles for employees of METRO AG - International standards along the supply chain (BSCI) - METRO GROUP Environmental Guidelines - Purchasing guidelines, e.g. fish purchasing policy	
4.12	Externally developed economic, environmental and social charters, principles or other initiatives.	Completely	[AR 2012 // Sustainability management: pp. 121-122] [SR 2012 // Supply chain and products: pp. 26-29] [SR 2012 // UN Global Compact Communication on Progress 2012: pp. 67-70] [SR 2012 // Social policies and stakeholder dialogue: pp. 38-41] - 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 - International standards along the supply chain (GLOBALG.A.P., IfS) - The Consumer Goods Forum Board Resolution on Deforestation - The Consumer Goods Forum Board Resolution on Sustainable Refrigeration	
4.13	Membership in associations and/or national/international advocacy organisations.	Completely	[SR 2012 // Social policies and stakeholder dialogue: pp. 38-41] [SR 2012 // Goals: Social policies and stakeholder dialogue: p. 66] [SR 2012 // UN Global Compact Communication on Progress 2012: pp. 67-70] Public policy	
4.14	List of stakeholders.	Completely	[SR 2012 // Goals: Social policies and stakeholder dialogue: pp. 66] [AR 2012 // METRO shares: p. 59] [AR 2012 // Employees: pp. 111-118] [SR 2012 // Global challenges – corporate engagement: pp. 3-12] [SR 2012 // Employees and social affairs: pp. 34-37] [SR 2012 // UN Global Compact Communication on Progress 2012: pp. 67-70] Public policy	There is no complete list. However, we report on our stakeholders at various points.
4.15	Basis for selection of stakeholders.	Completely	[SR 2012 // Social policies and stakeholder dialogue: pp. 38-41] [SR 2012 // Goals: Social policies and stakeholder dialogue: p. 66]	
4.16	Stakeholder engagement.	Completely	[SR 2012 // Social policies and stakeholder dialogue: pp. 38-41] [SR 2012 // Goals: Social policies and stakeholder dialogue: p. 66]	
4.17	Response to stakeholder requests.	Completely	[SR 2012 // Social policies and stakeholder dialogue: pp. 38-41] [SR 2012 // Goals: Social policies and stakeholder dialogue: p. 66]	Sample representation in the chapter "Social policies and stakeholder dialogue".
Economic performance				
Management approach				
EC1	Direct economic value generated and distributed.	Completely	[AR 2012 // Strategic positioning of METRO GROUP: pp. 41-53] [SR 2012 // Key performance indicators: Company: p. 45]	
EC2	Financial implications due to climate change.	Not		In the course of our regular participation in the Carbon Disclosure Project we report about risks and opportunities due to climate change.

Profile Disclosure	Description	Reported	Cross-reference	Explanation
EC3	Benefit plan obligations.	Completely	[AR 2012 // Employees: p. 111] [AR 2012 // Personnel expenses: p. 203] [AR 2012 // Financial and asset positioning: p. 110] [AR 2012 // Provisions for pensions and other commitments: pp. 220-223]	
EC4	Financial assistance received from government.	Not		
Market presences				
EC5	Standard entry-level wage and minimum wage.	Not		
EC6	Dealing with locally based suppliers.	Not		
EC7	Employment of local staff.	Not		
Indirect economic impacts				
EC8	Investments for infrastructure and services.	Not		
EC9	Significant indirect economic impacts.	Not		
Environmental performance				
Management approach			[SR 2012 // Energy and resource management: p. 30]	
Materials				
EN1	Materials used.	Completely	[SR 2012 // Key performance indicators: Paper – share of eco-friendly paper: p. 50]	The information on material consumption relates to the resource of paper.
EN2	Percentage of recycled materials.	Completely	[SR 2012 // Key performance indicators: Paper – share of eco-friendly paper: p. 50]	
Energy				
EN3	Direct energy consumption (primary energy).	Completely	[SR 2012 // Key performance indicators: Energy – electricity consumption and thermal energy consumption: p. 48] [SR 2012 // Key performance indicators: Own fleet of lorries: p. 50]	
EN4	Indirect energy consumption (primary energy).	Completely	[SR 2012 // Key performance indicators: Energy – electricity consumption and thermal energy consumption: p. 48]	
EN5	Achieved energy savings.	Completely	[SR 2012 // Energy and resource management: pp. 30-33]	Exemplary description with reporting of savings achieved.
EN6	Energy-efficient products.	Not		
EN7	Reductions achieved in indirect energy consumption.	Completely	[SR 2012 // Energy and resource management: Ideas and action wanted: pp. 32-33]	Exemplary description with reporting of savings achieved.
Water				
EN8	Total water consumption.	Completely	[SR 2012 // Key performance indicators: Water – water consumption in l: p. 49]	
EN9	Water sources.	Not		
EN10	Water recycled and reused.	Not		
Biodiversity				
EN11	Biodiversity: land in, or adjacent to, protected areas and areas of high value.	Not		
EN12	Biodiversity: significant impact.	Not		
EN13	Biodiversity: habitats protected or restored.	Not		
EN14	Management of impacts on biodiversity.	Not		
EN15	Biodiversity: red list species.	Not		
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions.	Completely	[SR 2012 // METRO GROUP's carbon foot print: pp. 57-58] [SR 2012 // Key performance indicators: Carbon foot print: p. 47]	
EN17	Other relevant indirect greenhouse gas emissions.	Completely	[SR 2012 // Key performance indicators: Carbon foot print: p. 47]	
EN18	Reduction of greenhouse gas emissions.	Completely	[SR 2012 // METRO GROUP's carbon foot print: pp. 57-58] [SR 2012 // Energy and resource management: pp. 30-33]	
EN19	Emissions of ozone-depleting substances.	Not		

Profile Disclosure	Description	Reported	Cross-reference	Explanation
EN20	NOx, SOx and other significant air emissions.	Not		
EN21	Total water discharge by quality and destination.	Completely	[SR 2012 // Key performance indicators: Water – water consumption in l: p. 49]	
EN22	Total waste by type and disposal method.	Completely	[SR 2012 // Key performance indicators: Waste: p. 48]	
EN23	Total number and volume of significant spills.	Not		
EN24	Hazardous and special waste.	Not		
EN25	Water bodies and related habitats significantly affected by the discharges of water run-off.	Not		
Products and services				
EN26	Reduction of environmental impacts of products and services.	Not		
EN27	Recycled products and packaging material.	Not		
Compliance				
EN28	Sanctions for non-compliance with environmental laws and regulations.	Not		
Transport				
EN29	Environmental impacts of transports.	Not	[SR 2012 // Key performance indicators: Changes of climate relevant emissions by segment: p.47] [SR 2012 // Key performance indicators: Own fleet of lorries: p. 50]	
Overall				
EN30	Total environmental protection expenditures and investments.	Not		
Social performance: labour practices and decent work				
Management approach			[SR 2012 // Employees and social affairs: p. 34]	
Employment				
LA1	Total workforce by employment type and region.	Completely	[AR 2012 // Employees: p. 112-117] [SR 2012 // Key performance indicators: Employees: pp. 51-56] [SR 2012 // Key performance indicators: Part-time rate: p. 51] [SR 2012 // Key performance indicators: Employees by age group: p. 52] [SR 2012 // Key performance indicators: Employees – number of nationalities: p. 52]	
LA2	Employee turnover.	Completely	[SR 2012 // Key performance indicators: Staff turnover: p. 54-55]	
LA3	Benefits provided to full-time employees.	Not		
Labour/management relations				
LA4	Employees covered by collective bargaining agreements.	Not		
LA5	Minimum notice period(s) regarding significant operational changes.	Not		
Occupational health and safety				
LA6	Health and safety committees.	Not		
LA7	Rates of injury, occupational diseases, lost days and absenteeism.	Not		
LA8	Health and safety: prevention of diseases.	Not		
LA9	Health and safety: formal agreements.	Not		
Training and education				
LA10	Average hours of training per year.	Completely	[SR 2012 // Key performance indicators: Employees training: p. 55]	Information relates to Germany.
LA11	Skills management and lifelong learning.	Not		
LA12	Employee performance and career development reviews.	Not		
Diversity and equal opportunity				
LA13	Composition of governance bodies and employees.	Completely	[SR 2012 // Key performance indicators: Employees: pp. 51-56] [SR 2012 // Key performance indicators: Employees by age group: p. 52] [SR 2012 // Key performance indicators: Employees – number of nationalities: p. 52]	
LA14	Basic salary ratio of women to men.	Not		
LA15	Return to work and retention rates after parental leave.	Not		

Profile Disclosure	Description	Reported	Cross-reference	Explanation
Social performance: human rights				
Management approach			[SR 2012 // Supply chain and products: p. 26]	
Investment and procurement practices				
HR1	Human rights: investments and contracts.	Not		
HR2	Human rights: supplier involvement.	Completely	[SR 2012 // Key performance indicators: Social audits: p. 46] [SR 2012 // Supply chain and products: Social standards: pp. 26-27]	
HR3	Human rights: employee training.	Not		
Non-discrimination				
HR4	Total number of discrimination incidents and corrective action taken.	Not		
Freedom of association and collective bargaining				
HR5	Warranty of freedom of assembly.	Completely	[SR 2012 // Key performance indicators: Social audits: p. 46] [SR 2012 // Supply chain and products: pp. 26-29]	
Child labour				
HR6	Measures to avoid child labour.	Completely	[SR 2012 // Key performance indicators: Social audits: p. 46] [SR 2012 // Supply chain and products: pp. 26-29]	
Prevention of forced and compulsory labour				
HR7	Measures to avoid forced labour.	Completely	[SR 2012 // Key performance indicators: Social audits: p. 46] [SR 2012 // Supply chain and products: pp. 26-29]	
Security practices				
HR8	Human rights: security personnel training.	Not		
Indigenous rights				
HR9	Disregard of the rights of indigenous people.	Not		
HR10	Operations subject to human rights reviews.	Completely	[SR 2012 // Key performance indicators: Social audits: p. 46] [SR 2012 // Supply chain and products: pp. 26-29]	
HR11	Formal grievances regarding human rights.	Completely	[SR 2012 // Key performance indicators: Social audits: p. 46] [SR 2012 // Supply chain and products: pp. 26-29]	
Social performance: society				
Management approach			[SR 2012 // Social policies and stakeholder dialogue: p. 38] [SR 2012 // Responsible corporate governance: p. 24]	
Local communities				
S01	Operations with implemented local community engagement.	Not		
Corruption				
S02	Corruption: number of business units analysed.	Partially	[AR 2012 // Risk report: p. 159]	
S03	Corruption: training of employees.	Completely	[SR 2012 // Responsible corporate governance: p. 24] [SR 2012 // UN Global Compact Communication on Progress 2012: pp. 67-70]	More than 80 percent of the approximately 17,000 employees classified as relevant have already received training on the anti-corruption guidelines.
S04	Corruption: action taken.	Not		
Public policy				
S05	Public policy positions and lobbying.	Not		
S06	Policy: financial contributions.	Not		
Anti-competitive behaviour				
S07	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices.	Not		
Compliance				
S08	Monetary value of significant fines and sanctions for non-compliance with laws.	Not		
S09	Operations with significant potential or actual negative impact on local communities.	Not		
S010	Prevention and measures to avoid negative impacts.	Not		

Profile	Description	Reported	Cross-reference	Explanation
Disclosure				
Social performance: product responsibility				
Management approach			[SR 2012 // Supply chain and products: p. 26] [AR 2012 // Sustainability management: pp. 82-83]	
Customer health and safety				
PR1	Health and safety: product analysis.	Not		
PR2	Health and safety: non-compliance with regulations.	Not		
Product and service labelling				
PR3	Labelling and duty to inform for products.	Not		
PR4	Labelling: non-compliance with regulations.	Not		
PR5	Measures related to customer satisfaction.	Completely	[AR 2012 // Strategic positioning of METRO GROUP: pp. 41-53]	All sales lines perform regular surveys on customer satisfaction.
Marketing communications				
PR6	Marketing communications: compliance with codes.	Not		
PR7	Marketing communications: non-compliance with regulations.	Not		
Customer privacy				
PR8	Substantiated complaints regarding breaches of customer privacy protection.	Not		
Compliance				
PR9	Significant fines regarding product liability.	Not		

IMPRINT

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Das Zeichen für
verantwortungsvolle
Waldwirtschaft

Reporting period

The reporting period is the calendar year 2012. 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 (11 March 2013) or that relates to the period before 2012. The cut-off date for figures in the "Key performance indicators" section is 31 December 2012. The frame of reference for the information in the section "Goals" is given within the targets and measures.

Reporting scope

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

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 United Nations Global Compact, we have committed ourselves to continuous improvements in the areas of human rights, labour standards, environmental protection and anti-corruption measures. With its sustainability report, 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 2012

For the reporting year 2012, the auditing company KPMG AG Wirtschaftsprüfungsgesellschaft assessed our data collection processes and data entry system as part of an operational audit and also verified our carbon footprint for 2012 in accordance with ISAE 3000. The certification by the independent auditor can be seen on the Internet at: reports.metrogroup.de/2012/sr/audit_carbon_footprint

Disclaimer

This sustainability report contains forward-looking statements that are based on certain assumptions and expectations at the time of its publication. These statements are therefore subject to risks and uncertainties, which means that actual results may differ substantially from the future-oriented statements made here. Many of these risks and uncertainties are determined by factors that are beyond the control of METRO GROUP and cannot be gauged with any certainty at this point in time. 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.

METRO GROUP

JOIN IN THE DIALOGUE

Dialogue with you, dear 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 Sustainability Report 2012 and our sustainability activities in general.

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



Independent Assurance Report ¹⁾

To the Executive Board of METRO AG, Düsseldorf

We were engaged to provide assurance on Energy and Resource Management key performance indicators for the business year 2012 published in the Sustainability Report 2012 (further ‘The Report’) as well as in the Online Sustainability Report 2012 (further ‘The Online Report’) of METRO AG, Düsseldorf (further ‘Metro’). The Executive Board of Metro is responsible for the appropriateness of the determination and presentation of the Energy and Resource Management key performance indicators in accordance with the reporting criteria, including the identification of material issues. Our responsibility is to issue an assurance report on the Energy and Resource Management key performance indicators published in The Report and The Online Report.

Scope

Our assurance engagement was designed to provide limited assurance on whether the following Energy and Resource Management key performance indicators and specific goals for the business year 2012 in The Report and The Online Report are presented, in all material respects, in accordance with the reporting criteria:

– The Report:

- Climate protection target – greenhouse gas emissions in kg CO₂ (CO₂ equivalent) per m² selling space

– The Online Report:

- Climate protection target – greenhouse gas emissions in kg CO₂ (CO₂ equivalent) per m² selling space
- Carbon footprint – emission sources included in the climate protection target
- Carbon footprint – all emission sources recorded
- Changes in the emissions included in the climate protection target
- Energy – electricity consumption in kWh per m² selling space / thermal energy consumption in kWh per m² selling space
- Waste – amount of waste in kg per m² selling space / recycling rate in %

- Water – water consumption in l per m² selling space
- Refrigerants – refill rate in %
- Paper – share of eco-friendly paper in %
- Own fleet of lorries in Germany

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

Reporting criteria and assurance standards

Metro applies the Corporate Accounting and Reporting Standard (Scope 1 and 2) and the Corporate Value Chain (Scope 3) Standard of World Resources Institute/World Business Council for Sustainable Development, supported by internal guidelines, as described in the explanations on Energy and Resource Management, as reporting criteria.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board. This standard requires, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that they comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure our independence.

Work undertaken

Our procedures included:

- Assessment of the suitability of the reporting criteria as well as processes for collection, analysis and aggregation of data regarding documentation.
- Interviewing management responsible for goal setting and monitoring processes for the Energy and Resource Management key performance indicators.
- Evaluation of the design and implementation of systems and processes for the collection, processing and control of the Energy and Resource Management key performance indicators, including the consolidation of the data.
- Interviews with relevant staff at Group level responsible for providing the data, carrying out internal control procedures and consolidating the data.

- Visits to the service entities METRO PROPERTIES Energy Management GmbH (Düsseldorf), METRO LOGISTICS Germany GmbH (Düsseldorf), MGA METRO GROUP Advertising GmbH (Düsseldorf) as well as the sales divisions of real,- SB-Warenhaus GmbH Deutschland (Moenchengladbach) and METRO Cash & Carry France SAS (Nanterre) to assess local data collection and reporting processes and the reliability of the reported data.
- An analytical review of the data and trend explanations submitted by all sales divisions for consolidation at Group level.
- An evaluation of the overall presentation of the Energy and Resource Management key performance indicators and specific goals included in The Report and The Online Report.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the Energy and Resource Management key performance indicators and specific goals for the business year 2012 in The Report and The Online Report of Metro are not presented, in all material respects, in accordance with the reporting criteria.

Frankfurt am Main, March 13, 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Fischer
Certified Public Accountant
(Wirtschaftsprüferin)

Glöckner
Certified Public Accountant
(Wirtschaftsprüfer)

¹⁾ Our engagement applies to the German Versions of the Sustainability Report 2012 as well as the Online Sustainability Report 2012. This is a translation of the independent assurance report, which is authoritative in German language.