

## UNITED NATIONS GLOBAL COMPACT

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

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

Düsseldorf, December 2015

### UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2014/15

In the following table, we show examples of commitments and management systems that serve the ten principles, measures that we have taken and results that we achieved in the reporting period 2014/15.

#### HUMAN RIGHTS AND WORKING STANDARDS

Principle	Commitments and management systems	Measures 2014/15	Achievements 2014/15
PRINCIPLE 1: Support for human rights	METRO GROUP Business Principles	Producers in defined risk countries (based on the assessment of the Business Social Compliance Initiative [BSCI]) in which MGB Hong Kong has import goods manufactured and producers that manufacture own brands or own imports in the areas of clothing, shoes, toys and consumer durables for the METRO GROUP sales lines are assisted in implementing the	Of the 1,943 audited BSCI-relevant factories, 93 per cent passed the social audit in accordance with BSCI specifications.  See the key performance indicator for suppliers passing the social audit.
PRINCIPLE 2: Elimination of human rights abuses	Anti-discrimination guidelines  METRO GROUP guidelines on fair working conditions and social partnership		

Principle	Commitments and management systems	Measures 2014/15	Achievements 2014/15
PRINCIPLE 3: Protection of the freedom of association and the right to collective bargaining	International standards throughout the supply chain (BSCI)	BSCI standard or an equivalent social standards system.	Sales of fair-trade products within the METRO Cash & Carry and Real sales lines in Germany came to almost €9 million. This figure includes items featuring the Fairtrade or the GEPA label.
PRINCIPLE 4: Elimination of all forms of forced labour	Key labour standards of the International Labour Organization (ILO), embedded in a variety of corporate guidelines	Social dialogue at the local level is an important element in order for METRO GROUP to build up good labour relations. Collective agreements existing in various countries were reinforced. In other countries, collective agreements were reached for the first time or negotiations in this regard are still ongoing.	Based on the UN Guiding Principles on Business and Human Rights, checks were conducted in Turkey, Poland and Austria regarding compliance with the METRO principles of fair working conditions and social partnership.
PRINCIPLE 5: Abolition of child labour	Social standards clause in supplier contracts	Start of an awareness-raising initiative for all METRO AG and METRO Cash & Carry employees regarding inclusion and diversity, supported by workshops and an e-learning module.	On the basis of a joint declaration in December 2013, METRO GROUP and the international trade union organisation UNI Global Union worked together closely to improve relations between the trade unions and management in Pakistan.
PRINCIPLE 6: Elimination of discrimination	OECD Guidelines for Multinational Enterprises, embedded in a variety of corporate guidelines	METRO GROUP has been on the Board of Charta der Vielfalt e.V. since 2013. A Diversity Week was held in Düsseldorf in June 2015, with an information stand and daily workshops and events that covered the various dimensions of diversity.	Representatives of the METRO GROUP management attended the annual meeting of the UNI METRO Global Union Alliance in Istanbul in October 2014.
		As a member of the Rhine-Ruhr Diversity Network, METRO GROUP got together with 14 other companies in June 2015 to run a joint campaign under the motto of "Make use of diversity – reap success" on the occasion of Germany's third Diversity Day.	Development and distribution of various internal guidelines for maintaining a healthy and safe work environment.
		In financial year 2013/14, METRO GROUP updated its voluntary commitment to increasing the proportion of women in managerial positions. The aim is for the proportion of women in managerial positions (levels one to three) to be 25 per cent throughout the group in the calendar year 2017. At METRO AG, the target is for women to make up 25 per cent of the first two management levels below the Management Board in the calendar year 2017 as well.	Strengthening of the country network for health and safety.  Training the health and safety officers.  The proportion of women at management levels one to three was 16.8 per cent on the reporting date, 30 September 2015.  See the employees chapter of the <a href="http://reports.metrogroup.de/2014-2015/condensed-report/sustainability/united-nation...">Annual Report 2014/15</a> ( <a href="http://reports.metrogroup.de/2014-2015/condensed-report/sustainability/united-nation...">./.../annual-report/combined-management-report/principles-of-the-group/employees.html</a> ) .

Principle	Commitments and management systems	Measures 2014/15	Achievements 2014/15
		<p>The employee network Women in Trade (WiT) now has some 130 members. It is instrumental in sustainably increasing the proportion of women in managerial positions, promoting internal and external dialogue, and creating better underlying conditions for women within the group.</p> <p>Founding of the employee network PRIDE for lesbian, gay, bisexual, trans and intersex people with a view to raising awareness of the topics of sexual orientation and identity.</p> <p>For details of active involvement in the areas of inclusion and diversity, occupational safety and health management, and employer-employee relations, see the employees chapter of the <a href="#">Annual Report 2014/15</a> (<a href="#">../annual-report/combined-management-report/principles-of-the-group/employees.html</a>) .</p>	

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## ENVIRONMENTAL PROTECTION

Principle	Commitments and management systems	Measures 2014/15	Achievements 2014/15
<p>PRINCIPLE 7: Precautionary approach to environmental challenges</p> <p>PRINCIPLE 8: Promotion of greater environmental responsibility</p> <p>PRINCIPLE 9: Diffusion of environmentally friendly technologies</p>	<p>METRO GROUP environmental policy</p> <p>Energy and environmental management systems</p> <p>Procurement policy for sustainable sourcing, also purchasing guidelines for fish, palm oil and packaging</p> <p>International standards throughout the supply chain (GLOBALG.A.P., IFS)</p>	<p>METRO GROUP environmental policy revised</p> <p>METRO GROUP climate protection target: reducing greenhouse gas emissions by 20 per cent from 330 kg/m<sup>2</sup> in 2011 to 264 kg/m<sup>2</sup> in 2020.</p> <p>Implementing energy-saving measures in all the sales lines with the Energy Saving Programme and the Energy Awareness Programme.</p> <p>Assisting consumers with energy efficiency and correct</p>	<p>Environmental policy now applies to all companies in which METRO GROUP holds a stake.</p> <p>Greenhouse gas emissions per m<sup>2</sup> of selling space reduced by 19.7 per cent compared with 2011.</p> <p>Energy consumption per m<sup>2</sup> of selling space down almost 2 per cent year-on-year.</p> <p>Greenhouse gas emissions per m<sup>2</sup> of selling space resulting from refrigeration system</p>

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	<p>The Consumer Goods Forum Board Resolution on Deforestation</p> <p>The Consumer Goods Forum Board Resolution on Sustainable Refrigeration</p> <p>Roundtable on Sustainable Palm Oil (RSPO)</p>	<p>disposal by providing relevant information and guides, and also by taking back old electrical appliances on a voluntary basis at Media-Saturn and Real in Germany.</p> <p>Switching over our refrigeration systems to natural refrigerants such as CO<sub>2</sub> or ammonia.</p> <p>Ongoing involvement in CDP for transparency with regard to climate change.</p> <p>Implementation of the general buying policy for sustainable procurement and the purchasing guidelines for fish, palm oil and packaging.</p> <p>Range of ecologically and socially certified products.</p> <p>Committee work (e.g. on marine protection), partnership programmes for sustainable food production in cooperation with Bayer CropScience.</p> <p>Car policy revised, additionally taking environmental issues into account.</p>	<p>leakage reduced by 5 per cent year-on-year.</p> <p>Water consumption per m<sup>2</sup> of selling space unchanged year-on-year.</p> <p>Environmental KPIs successfully audited externally once again.</p> <p>Energy management systems certified in accordance with ISO 50001 at 130 locations. Certification of other locations is planned.</p> <p>Renewed BREEAM certification for METRO GROUP headquarters.</p> <p>Charging point infrastructure for electromobility expanded.</p> <p>Customers given information by Saturn about actively reducing the use of plastic bags in the form of a guide "Plastiktüten bewusst reduzieren" (Active plastic bag reduction).</p> <p>Implementation of an industry-wide traceability system as a precautionary measure relating to illegal fishing in various countries, and expansion to include new partners.</p> <p>Products certified in accordance with the EU Regulation on organic farming accounted for €107 million in sales at the METRO Cash &amp; Carry and Real sales lines in Germany.</p> <p>Real is the first retail company in Germany to sell food sourced from permaculture. The requirements of this production method go above and beyond those of organic farming.</p> <p>In financial year 2014/15, our sales lines METRO Cash &amp; Carry and Real in Germany had a sustainable fish portfolio</p>

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			<p>comprising 108 own-brand products and 773 brand-name products with the certification label of the Marine Stewardship Council (MSC). These two sales lines also sell fish products certified as sustainable by the Aquaculture Stewardship Council (ASC) and classified as dolphin-safe. Sales totalling approximately €90 million were generated in Germany with sustainable fish products.</p> <p>Real generated sales of close to €302 million with regional products in the last financial year. Sales of products bearing the Forest Stewardship Council (FSC) label or the label of the Programme for the Endorsement of Forest Certification (PEFC) amounted to almost €22 million.</p> <p>Media-Saturn generated more than €3 billion in sales with energy-efficient electrical appliances.</p> <p>Industry Group Leader, Food &amp; Staples Retailing, in the Dow Jones Sustainability Index.</p> <p>Once again named Sector Leader, Consumer Staples, and Index Leader, MDAX, by CDP.</p> <p>Included in the FTSE4Good Global and Europe indices once again.</p> <p>Improved position in Deutsche Umwelthilfe's company car ranking.</p> <p>See the carbon footprint 2014/15.</p>

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## ANTI-CORRUPTION MEASURES

Principle	Commitments and management systems	Measures 2014/15	Achievements 2014/15
PRINCIPLE 10: Combating corruption	<p>METRO GROUP Business Principles</p> <p>Anti-corruption guidelines for dealings with business partners and officials</p> <p>Business partner questionnaires</p> <p>OECD Guidelines for Multinational Enterprises, embedded in a variety of corporate guidelines</p>	<p>Group-wide compliance communications providing staff with information in various formats, including METRO GROUP's social media platform UNITED.</p> <p>Implementation of an internal control system for managing compliance risks within operational processes, including systematic checks, dual control and separation of functions.</p> <ul style="list-style-type: none"> <li>Regular monitoring to ensure that internal operational controls are incorporated into operational store processes.</li> <li>Further roll-out of internal controls for key compliance issues (e.g. anti-corruption measures).</li> </ul> <p>Due diligence assessments based on the anti-corruption guidelines for dealings with business partners by means of business partner questionnaires.</p> <p>External auditing of METRO GROUP's compliance management system.</p>	<p>Examples of internal communication measures:</p> <ul style="list-style-type: none"> <li>Compliance Talks</li> <li>Newsletter Right!</li> <li>Compliance presence on UNITED (METRO GROUP's social media platform)</li> </ul> <p>Examples of external communication measures:</p> <ul style="list-style-type: none"> <li>Membership of and active involvement in the Alliance for Integrity, an anti-corruption initiative run by Germany's Federal Ministry for Economic Cooperation and Development and the United Nations Global Compact network.</li> </ul> <p>E-training platform for compliance introduced gradually in all METRO GROUP countries.</p> <ul style="list-style-type: none"> <li>In 2014, over 4,500 employees were trained online in anti-corruption measures.</li> <li>2015: more than 350 employees took part in classroom training.</li> </ul> <p>Compliance work for selected international companies pooled in organisational terms using local centre of excellence structures.</p>