



# Anti-corruption Guideline

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## 1 Introduction

METRO does not tolerate any form of corruption. It is prohibited, distorts competition and harms the company. Corruption is prohibited in all countries in which METRO operates and can have devastating effects. It can lead to reputational damage, the erosion of confidence among our customers, high fines and prison sentences as well as the exclusion of METRO from tenders.

METRO is a member of the United Nations Global Compact and supports national and international efforts to fight corruption. METRO employees are obliged to avoid even the mere appearance of corruption in any situation.

### 1.1 Objective

This guideline defines group-wide standards on anti-corruption and the handling of benefits, in particular gifts and invitations.

This guideline helps METRO employees to detect corruption risks, react appropriately to red flags and prevent corruption.

### 1.2 Applicability and Target Group

This guideline applies to all employees of METRO.

The local compliance officer can provide additional guidance and, in exceptional cases, approve deviations from this guideline. Requests in this regard should always be made in writing (e-mail sufficient).

This guideline does not replace other guidelines, such as in particular:

- the Donations & Sponsoring Guideline,
- the External Advisor Guideline,
- the Whistleblower Protection Guideline,
- the Anti-Money Laundering Guideline,
- the SOP for Expansion & IP Process and
- the Travel Expenses Guideline.

This guideline needs to be amended locally if local laws and regulations are stricter.

## 2 Terms and References

**Benefits** are favors of any kind. This means anything on which the recipient has no legal claim and which directly or indirectly objectively improves his or her economic, legal or personal situation. This includes not only cash and cash equivalents but, regardless of minimum amounts or thresholds, anything of value, e.g., discounts, invitations, hospitality, loans, insider information, services, honours, career opportunities and sponsorships.

**Business meals** are business-related meals with business partners.

**Business partners** are all persons with whom METRO shares a business-related relationship excluding public officials. This also includes persons with whom a business relationship is about to be established, such as participants in a tender or pitch.

**Cash equivalents** are assets that can be converted into cash at any time without any significant effort.

**Catering** includes food and beverages at the location of the event or at the host's premises. For events organized by METRO, this may also include catering by starred chefs.

A **conflict of interest** exists when doubt might arise as to the ability of a METRO employee to act, judge or decide with full objectivity to METRO's interests.

**Corruption** is the abuse of a public office, a function in a business or a political mandate to obtain a benefit for oneself or another.

**Customers** are persons/companies purchasing goods or services from METRO on a permanent basis and who not only intend to do so in the future, in particular all METRO customer cardholders.

**Grooming** is granting benefits to secure general goodwill or favor.

**Facilitation payments** are non-statutory payments made to public officials to speed up routine official acts whose outcome is already determined. Facilitation payments are forbidden in most countries.

**Networking events** are events for the purpose of establishing and maintaining professional contacts.

**Product samples** are samples that are provided to potential buyers in small quantities so that they can convince themselves of the nature and quality of the product.

**Public officials** are persons who exercise a public function, are in public service or in a public capacity (including members of the government, civil servants and persons working for a public organization), perform tasks of legal administration or are active in a (partly) state-owned company. If public officials are also customers or business partners within the meaning of this guideline, they shall be deemed only as public officials within the meaning of this guideline.

**Gifts** are benefits of monetary value that are granted to a recipient free of charge and without any legal obligation.

Defined terms are kept in italics hereafter.

### **3 Principles of preventing corruption**

*Corruption* is the abuse of a public office, a function in a business or a political mandate to obtain a *benefit* for oneself or another (e.g., the employer). *Corruption* is always characterised by a give-and-take relationship. Such *benefits* are intended to influence official or business actions or decisions. *Benefits* can be of a material or immaterial nature. Both active (offering, promising or granting *benefits*) and passive *corruption* (Demanding, accepting or receiving *benefits*) are punishable by law.

#### **3.1 Benefits in the course of business**

Not every exchange of *benefits* represents *corruption*. Instead, certain *benefits* such as smaller *gifts* and invitations are regularly part of establishing and cultivating business relationships. Only if *gifts* or invitations are intended to exert an unlawful

influence, they constitute *corruption*. It always depends on the individual case and the specific circumstances. Even *grooming* already imposes a criminal risk.

METRO employees must always comply with METRO's internal regulations and applicable local laws when exchanging *benefits*. If METRO employees consider offering a *benefit*, it should always be related to a legitimate business purpose and to cause a positive attitude towards METRO or METRO's products and services, and never to unlawfully influence somebody in connection with an official or a business decision.

Typically, *corruption* risks exist for METRO and METRO employees when exchanging *gifts* (see under 4) or invitations (see under 5).

### 3.2 Basic requirements

*Benefits*, whether provided by or to METRO employees, are only permitted if they are appropriate, cashless, provided in a transparent manner and are not actively demanded.

**appropriate, cashless, transparent, not actively demanded**

If either one of these conditions is missing, or there is a reputational risk or a risk of criminal liability, the specific *benefit* is inadmissible and must not be exchanged.

#### 3.2.1 appropriate

To determine if a *benefit* is appropriate, the circumstances of the individual case considering the overall context must be taken into account. In particular, the value and frequency of the *benefits*, the cultural and socially customary context (including the position of the recipient) and timing of *benefits* are relevant. Therefore, METRO employees are required to review and evaluate these factors for each *benefit*.

##### **Value and frequency:**

Low-value *gifts* are considered more appropriate than high-value ones, while low-value is being defined differently in countries with a lower GDP than in industrialized nations. Considering the frequency of exchanging benefits is also crucial. Multiple benefits may appear acceptable on their own but viewed collectively can pose a criminal risk.

##### **Cultural and socially customary context:**

The cultural and socially customary context depends on the background of the people involved as well as local customs. The exchange of small *gifts* between business partners is common in many cultures and is deemed as good manners.

##### **Timing:**

The timing of the *benefit* is of decisive importance. In particular, *benefits* in connection with business decisions (e.g., during contract negotiations) should always be avoided. A longer time period between a business decision and granting a *benefit* lowers the risk of *corruption*.

### **3.2.2 cashless**

*Benefits* must never be provided in cash or *cash equivalents*. In particular, *facilitation payments* are strictly prohibited.

### **3.2.3 transparent**

*Benefits* may not be provided secretly, but only publicly directed to the business address. *Benefits* must be traceable and verifiable and, in case of doubt, reported to the responsible manager or the responsible compliance officer.

### **3.2.4 not actively demanded**

*Benefits* must never be actively requested or demanded, or linked to a condition (e.g., conclusion of a contract).

## **3.3 Benefits to public officials**

In principle, *benefits* to public officials, such as *gifts* or invitations, should be avoided. In most countries, much stricter regulations apply for dealing with public officials than for dealing with private individuals. With respect to public officials, even *sweetening* is strictly prohibited. If, in special cases, *benefits* to public officials are intended, these are only possible with the explicit prior approval of the responsible compliance officer after a case-by-case assessment.

## **3.4 Inadmissible benefits**

If METRO employees are offered an inadmissible *benefit*, the *benefit* shall be politely declined with reference to this guideline and the employee should inform the responsible manager as well as the responsible compliance officer immediately.

## **4 Dealing with gifts**

Smaller *gifts*, such as giveaways and promotional or courtesy *gifts*, are common and even customary in many cultures. Local customs must always be taken into account when exchanging *gifts*.

*Product samples* are not considered *gifts* in the meaning of this guideline.

*Gifts* distributed to *customers* for marketing purposes as part of official lotteries are also not subject to this guideline as long as they do not exceed what is usual in terms of value and quantity. The impression that an unlawful influence is intended must be avoided at all times.

The value of *gifts* is to be determined on the basis of the respective market value (gross price including VAT).

### **4.1 Gifts free of approval**

*Gifts* may be given or received without explicit approval, if certain conditions are met, meaning they do not require prior consultation with the responsible compliance officer.

Basic conditions for all approval free *gifts* are that they are appropriate, granted cashless, transparent and not actively demanded (see under 3.2).

Additionally, any approval-free *gift* must be low in value and the person receiving it may not yet have received more than 2 *gifts* in the current calendar year.

However, if the person receiving the *gift* is a public official, a *gift* is never free of approval. The same applies if a *gift* is subject to approval for other reasons (see under 4.2).

<b>Basic conditions:</b> <ul style="list-style-type: none"><li>▪ appropriate</li><li>▪ cashless</li><li>▪ transparent</li><li>▪ not actively demanded</li></ul>	+	<b>Further conditions:</b> <ul style="list-style-type: none"><li>▪ low value</li><li>▪ no more than 2 <i>gifts</i> per business partner within a calendar year</li><li>▪ <i>Gift</i> recipient is not a public official</li><li>▪ no approval required</li></ul>
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Examples for *gifts* which are free of approval:

- Promotional *gifts*
- Courtesy *gifts*, in particular birthday, holiday or anniversary *gifts*
- Recognisable customary discounts

## 4.2 Gifts subject to approval

*Gifts* that do not qualify under the above-mentioned conditions (see under 4.1) are subject to mandatory approval and may only be exchanged after the responsible compliance officer has approved the matter.

*Gifts* subject to approval:

- High-value *gifts*
- METRO vouchers (only for METRO *customers*)
- *Gifts* to business partners who have already received more than 2 *gifts* (promotional gifts excluded) within the current calendar year

Approval is regularly withheld for the following *gifts*:

- Luxury *gifts*
- *Gifts* to *public officials*
- *Gifts* to a business partner's spouses, partners or other relatives.
- METRO vouchers to business partner, which are not METRO *customers*

Approval will always be withheld if there is a reputational or criminal risk to any person involved or METRO.

## 5 Dealing with invitations

Invitations are typically extended for hospitality or events. In the case of invitations to events, the decisive factor is the extent of the professional context of the event.

The value of invitations is determined on the basis of the services actually used by the invitee (gross prices including VAT).

## 5.1 Invitations free of approval

Invitations may be extended or received without explicit approval, if certain conditions are met, meaning they do not require prior consultation with the responsible compliance officer.

Basic conditions for all approval-free invitations are that they are appropriate, transparent and not actively demanded (see under 3.2).

Additionally, the invitation must not be exclusive. Further, the invited person may not have received more than 2 invitations within the current calendar year.

The invitation must have a predominantly professional context and must not be particularly characterized by any entertainment element (e.g., sports, culture). It is required that travel or hotel expenses (provided that the invitee does not participate in the event as a speaker) are not borne by the inviting party.

However, if the invited person is a public official, the invitation is never free of approval. The same applies if an invitation is subject to approval for other reasons (see under 5.2).

<p><b>Basic requirements:</b></p> <ul style="list-style-type: none"><li>▪ appropriate</li><li>▪ transparent</li><li>▪ not actively demanded</li></ul>	<b>+</b>	<p><b>Further requirements</b></p> <ul style="list-style-type: none"><li>▪ not exclusive</li><li>▪ no more than 2 invitations per business partner within a year</li><li>▪ predominantly professional context</li><li>▪ no special entertainment element</li><li>▪ no coverage of hotel and travel costs</li><li>▪ invitee is not a public official</li><li>▪ no approval required</li></ul>
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Examples for invitations which are free of approval:

- *Caterings*
- Invitations to *business lunch/dinner* (mid-range restaurant)
- Invitations to trade fairs, press events, factory tours, conferences, seminars, events with a clear business context (e.g., store openings)
- Invitations to mid-range restaurants in connection with Christmas parties, store openings, trade fairs or any other given occasion with a professional focus
- Invitations to *networking events* that are neither part of a major event or festival (e.g., Carnival, Oktoberfest) nor have a special sports or cultural element
- Invitations to professional events, including payment of reasonable hotel and travel expenses for people acting as speaker



## 5.2 Invitations subject to approval

Invitations that do not meet the above requirements (see under 5.1) are subject to mandatory approval and may only be extended or received after the responsible compliance officer has approved the matter.

Typically, these are either invitations that are of high value (e.g., to a gourmet restaurant), do not have a predominantly professional connection but are primarily characterised by a special entertainment element (e.g., sports or cultural programme) or the travel or hotel costs are borne by the inviting party.

Invitations subject to approval:

- Invitations to fine-dining restaurants for a given occasion with a professional connection (e.g., closing dinner) or due to the group of participants (*customers* from the gourmet sector)
- Invitations to events with a predominantly special entertainment element (e.g., sport or culture)
- Repeated invitations (more than 2 per calendar year) of/from the same *business partner* within the current calendar year
- *Networking events* with a special sports or cultural element or those that are part of a major event or festival (e.g., Carnival, Oktoberfest)

Approval is regularly withheld for the following invitations:

- Invitation to events which have no professional connection whatsoever
- Invitation extends to spouses, partners or other relatives
- Payment of hotel and travel costs in the case of mere participation.

Approval will always be withheld if there is a reputational or criminal risk to any party or METRO.

## 6 Conflict of interest

Employees are obliged to always take business decisions with full objectivity and in METRO's best interest.

The mere existence of a *conflict of interest* does not represent misconduct. However, it is crucial to identify situations early on and disclose them immediately where a conflict between personal interests and METRO's interests exists, objectively could exist, or is likely to arise. Should such a situation exist, the affected employee must not influence the business decision and must immediately report the *conflict of interest* to the responsible manager and/or the responsible compliance officer.

Conflicts of interest can particularly exist in the following cases:

- Secondary employment or self-employment, e.g., a secondary job at a *business partner* (*customer*, supplier) or competitor of METRO
- Work as a consultant for a *business partner* of METRO
- Self-employment where the amount of working hours combined with the working hours at METRO, constitute a working time violation by exceeding the statutory maximum working hours

- Private investments, e.g., holding more than 5% of the shares of a business partner of metro or any other substantial financial interest in a *business partner* of METRO
- Personal relationship (e.g., spouse, sibling, parent, significant other, close relative or other close relationships) with a METRO employee with a direct reporting line
- Personal relationship with a *business partner* or employee of a *business partner*
- Personal relationship to a person who is a public official and is in a position to influence METRO's business activities
- Personal relationship to a person who holds shares of more than 5% or another significant financial interest in a company that is a *business partner* of METRO

## **7 Business partner due diligence**

METRO often assigns *business partners* who work for METRO or on METRO's behalf. METRO and METRO employees can be civilly and criminally liable for *corruption* committed by its *business partners*.

For this reason, METRO employees who are responsible for dealing with *business partners* are required to conduct a *business partner* due diligence in accordance with Annex 1.

## **8 Anti-corruption clause**

Every company of METRO should include the anti-corruption clause in Annex 2 in all contracts with *business partners*. Each METRO employee, responsible for dealing with business partners, is required to ensure that the anti-corruption clause is used in each contract. Furthermore, it must be part of all standard contract templates (e.g., purchasing contract, donation and sponsoring agreements, agreements with logistics service providers, etc.).

## **9 Whistleblowing system**

If there are any indications of a *corruption* risk or METRO employees learn of a specific *corruption* incident, they should report the matter to the responsible compliance officer or (anonymously) via the group-wide [whistleblowing system](#).

## **10 Final provisions**

When exchanging *benefits*, METRO employees need to ensure that a potential monetary *benefit* is properly taxed. The local tax department will support METRO employees in this regard.

If there are any uncertainties in connection with the provisions of this guideline, the local compliance officer stands ready to support all METRO employees.