

DECLARATION ON CORPORATE MANAGEMENT

The declaration on corporate management pursuant to §§ 289f and 315d of the German Commercial Code (HGB) is summarised for METRO AG and the group. The contents are not subject to the statutory audit of the annual and consolidated financial statements by the auditor.

Declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG)

During financial year 2021/22, the Management Board and the Supervisory Board of METRO AG discussed the implementation of the recommendations of the German Corporate Governance Code (GCGC) and jointly issued the following declaration pursuant to § 161 of the German Stock Corporation Act (AktG) on 23 September 2022:

‘The Management Board and the Supervisory Board of METRO AG declare that the recommendations of the Government Commission German Corporate Governance Code, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette in the version of 16 December 2019, have been complied with since the last declaration of conformity in September 2021, with the exception of recommendations G.8 and G.10:

Recommendation G.8

As already explained in the update of the declaration of conformity in May 2022, the Supervisory Board of METRO AG resolved in its meeting on 11 May 2022 to adjust the target settings for the granted tranche of the long-term incentive (LTI) of the members of the Management Board of METRO AG for financial year 2021/22.

The Supervisory Board had set the target values for the earnings per share (EPS) component of the 2021/22 LTI tranche in September 2021 based on the medium-term planning available at that time. In January 2022, the Management Board, with the approval of the Supervisory Board, presented METRO’s new ‘sCore 2030’ strategy. As part of this strategy, the company plans to increase annual investments, especially in digitalisation and expansion of the sales organisation, to up to 2.5% of total sales by 2025. This leads to a correspondingly reduced expectation for earnings per share in the affected planning years. Against this background, the Supervisory Board considered it appropriate to adapt the targets for the ‘earnings per share’ component of the 2021/22 LTI tranche to the ‘sCore’ planning. This retroactive adjustment deviates from recommendation G.8 of the German Corporate Governance Code. According to this recommendation, a subsequent change of the target values or the comparison parameters should be excluded.

Recommendation G.10

The remuneration system applicable to the members of the Management Board since 1 October 2020 with the approval of the Annual General Meeting 2021 of METRO AG provides that the long-term variable remuneration component (long-term incentive, “LTI”) of the members of the Management Board, which was previously structured as a performance share plan, is structured as a performance cash plan. In order to nevertheless make the long-term variable remuneration

predominantly stock-based, the weighting of the LTI component “relative development of stock return” (TSR) was increased to 60% (previously 50%). In the opinion of the Supervisory Board, the structure of the Management Board’s remuneration in this remuneration system, which also provides for ambitious share ownership guidelines, was thereby sufficiently aligned with the company’s share price development. Therefore, it deviated from recommendation G.10 sentence 1 GCGC, according to which the variable remuneration amounts granted to the members of the Management Board should be invested by them predominantly in company shares or granted accordingly on a share-based basis, taking into consideration the respective tax burden.

The Management Board and the Supervisory Board of METRO AG declare that the recommendations of the Government Commission German Corporate Governance Code, published by the Federal Ministry of Justice in the official section of the Federal Gazette in the version of 28 April 2022, will be complied with in the future, with the exception of recommendation G.10.

Recommendation G.10

At its meeting on 22 September 2022, the Supervisory Board of METRO AG resolved on a further development of the Management Board remuneration system as of financial year 2022/23, which will be submitted to the 2023 Annual General Meeting for approval. This further development includes a change in the long-term incentive (LTI) of the members of the Management Board. Most notably, the LTI is supposed to be directly linked to the implementation of the ‘sCore 2030’ strategy presented in January 2022 with the approval of the Supervisory Board and to incentivise achieving the defined transformation targets of this strategy. Furthermore, the LTI will also reflect the importance of sustainability by including ESG (environmental, social and governance) targets. The configuration of the LTI as a performance cash plan will be retained. Positive and negative participation of the members of the Management Board in the share price development will be achieved by adhering to the ambitious share ownership guidelines. However, the share ownership guidelines are not linked to the variable remuneration; instead, they must be fulfilled separately. The modified configuration of the LTI emphasises how important the consistent implementation of ‘sCore 2030’ is for the development of METRO.

The Supervisory Board is of the opinion that the further development of the Management Board’s remuneration system in this way best aligns the remuneration of the Management Board with the sustainable and long-term development of METRO and contributes to the promotion of the business strategy and the long-term development of METRO. Therefore, a deviation is made from recommendation G.10 sentence 1 GCGC, according to which the variable remuneration amounts granted to the members of the Management Board should be invested by them predominantly in company shares or granted accordingly on a share-based basis, taking into consideration the respective tax burden.’

- **METRO AG has made this declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) permanently accessible on the website www.metroag.de/en in the section About us - Corporate Governance.**

Remuneration system and remuneration report

The applicable remuneration system for the members of the Management Board of METRO AG pursuant to § 87a Sections 1 and 2 Sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on 19 February 2021, as well as the resolution adopted by the Annual General Meeting on 19 February 2021 pursuant to § 113 Section 3 of the German Stock Corporation Act (AktG) regarding the remuneration of the members of the Supervisory Board are

publicly available on the website www.metroag.de/en in the section About us – Corporate Governance. The remuneration report and the auditor’s report pursuant to § 162 of the German Stock Corporation Act (AktG) are also made publicly available here.

In September 2022, the Supervisory Board resolved to restructure the remuneration system for the members of the Management Board. This reconfigured Management Board remuneration system will be submitted to the Annual General Meeting 2023 for approval and will also be made publicly available on the website www.metroag.de/en in the section About us – Corporate Governance.

Relevant disclosures on corporate management practices

The Management Board and the Supervisory Board of METRO AG are firmly committed to the principles of transparent, responsible and value-based management and supervision.

German Corporate Governance Code

The standards of good corporate governance are afforded a high priority. With that in mind, the Management Board and the Supervisory Board of METRO AG base their actions on the relevant valid recommendations of the German Corporate Governance Code (GCGC) and only deviate from these recommendations in well-founded exceptional cases. This was also documented accordingly in the Code of Procedure of the Management Board and the Supervisory Board of METRO AG.

- **Additional information on corporate governance can be found on the website www.metroag.de/en in the section About us – Corporate Governance.**

Compliance

METRO employs a group-wide compliance management system to ensure compliance with laws and a self-imposed code of conduct in the areas of antitrust law, prevention of corruption and money laundering, conflicts of interest, fraud/embezzlement as well as the regulation of subsequent benefits in purchasing.

The aim of the compliance management system is to systematically and sustainably prevent, detect and sanction regulatory infringements within the stated areas of the company. METRO does so by regularly identifying conduct-related compliance risks, adjusting the necessary organisational structures as required and consistently monitoring and controlling risks. In its group-wide systematic reporting, key compliance risks and measures are transparently communicated and documented. The need for further development of the compliance management system is ascertained from the results of regular employee surveys, internal reviews and audits. An IT-based whistle-blower system provides employees and external third parties with an opportunity to provide information on regulatory infringements within the company, under the protection of anonymity. All reported regulatory infringements, irrespective of whether the measures for ensuring compliance with these rules fall within the area of responsibility of the compliance organisation, are investigated in the framework of the compliance management system and, if necessary, sanctioned systematically by the compliance incident handling system. The respective departments are responsible for regulatory compliance measures that fall outside of the area of responsibility of the compliance organisation, with the exception of compliance incident handling. For example, measures to ensure compliance with regulation on fair working conditions are the responsibility of the Human Resources department.

Compliance representatives are available for all METRO national subsidiaries and country organisations as well as all major service companies of the group. They serve as a port of call in compliance matters and provide advice to the responsible managements and employees. The Chief Compliance Officer of METRO AG reports directly to the Chief Executive Officer of METRO AG.

To maintain consistent control over conduct-related risks, METRO AG has assigned clear responsibilities for risk areas and communicated an unambiguous code of conduct in addition to developing and employing risk management and control processes. These efforts are complemented by compulsory compliance training courses, systematic and target group-oriented communication

measures and the consistent, disciplined handling of compliance incidents and relevant follow-up measures.

The METRO Business Principles are at the heart of our compliance initiatives and are firmly anchored throughout the group particularly by ongoing training measures. Other essential components of our compliance programme are the group-wide code of conduct and guidelines on antitrust law as well as the anti-corruption and advisory guidelines. METRO's compliance initiatives are facilitated by audience-specific training programmes for executives and employees, which are delivered online and in attendance, and by designing and reviewing internal controls in our operational business processes, including an IT-based business partner due diligence process. The verification of the efficacy of our internal compliance controls is regularly assessed by our Internal Audit unit.

- **Further information on compliance can be found on the website www.metroag.de/en in the section About us - Compliance. The Business Principles for employees of METRO AG can also be downloaded from this website.**

Opportunities and risk management

METRO's opportunities and risk management system forms another integral component of our value-based management. This takes the form of a systematic, group-wide process that assists the management team in identifying, assessing and managing opportunities and risks. Opportunities and risk management thus form a single unit. Risk management identifies unfavourable developments and events at an early stage, makes them transparent and analyses their implications. This allows the company to put the necessary countermeasures in place as early as possible and at the same time make efficient use of arising opportunities. The opportunities and risk management system as well as the compliance management system are continually refined.

- **Further information on the opportunities and risk management system can be found in the METRO Annual Report. The report is available on the website www.metroag.de/en in the section Investors - Publications. The annual report for the financial year ending 30 September is published in mid-December of each year.**

Responsibility/sustainability

As a company it is METRO's responsibility to make trade more sustainable along the value chain within its own business operations, but especially in its collaboration with small and medium-sized independent suppliers and customers. By aligning its goals with the needs of nature, people and future generations, METRO can act responsibly, be successful in the long term and overcome the conventional limitations of growth.

In line with the company's strategy, sustainability is systematically and organisationally entrenched in the core business. The purpose of sustainability management is to ensure that interactions between economic as well as environmental and social aspects are taken into account efficiently and in a solution-oriented manner and that the Management Board is involved. For example, this includes the work of the Sustainability Committee. Moreover, the remuneration of the Management Board and the global senior management is linked to the assessment of METRO's sustainability performance in the rating of the Dow Jones Sustainability Index.

As the highest sustainability body, the Sustainability Committee sets the strategic framework, facilitates the exchange of information on sustainability issues at the highest level (also with external input) and defines group-wide objectives. To adequately respond to the specific market and customer requirements, the METRO companies manage the operational implementation of sustainable development goals within this framework. They are responsible for working on the relevant sustainability issues, for defining specific targets and measures and for monitoring their success. The Sustainability Committee is chaired by 2 representatives from top management, who are regularly rotated. Other members of the committee are:

- People in charge of corporate responsibility at METRO AG

- Representatives of the core functions procurement, quality assurance, communication as well as energy management/real estate sustainability
- Representatives of the METRO national subsidiaries

Sustainability management is closely tied to METRO's risk and opportunity management via the formalised reporting and evaluation of sustainability-related risks and opportunities, which are assessed on the basis of materiality aspects. This enables the Management Board to systematically identify, evaluate and control deviations from the sustainability goals and the ensuing risks and opportunities.

To ensure that METRO's sustainability approach addresses the aspects and issues that most affect its business and that it can leverage through its business activities, METRO already performed a materiality analysis in financial year 2020/21 in accordance with the requirements of commercial law and verified its sustainability approach. The result was reconfirmed this financial year by the members of the Sustainability Committee to ensure that current developments and regulatory requirements continue to be adequately reflected.

With focus on the food sector, METRO continues to emphasise 3 sustainability priorities:

1. Climate and CO₂: METRO reduces emissions and waste in its own business operations and contributes to reducing CO₂ in the food sector, for example by offering regional, seasonal or plant-based products as well as raw materials that are not associated with deforestation.
2. Ethical conduct and trust: METRO wants to be a trustworthy partner for its own employees, suppliers and customers. Therefore, METRO holds safe and fair working conditions in its own business operations in high regard and promotes supply chains in which business is conducted in an ethically appropriate and transparent manner. Key elements here are the consideration of human rights and potential impact on the environment.
3. Equality, inclusion and well-being: In line with the inclusive 'ONE METRO' culture and based on the understanding that employees are essential to METRO's business, the focus is on creating a safe, equal and inclusive work environment and promoting the health and well-being of employees.

METRO's stakeholders (for example suppliers, employees and investors) use ratings to evaluate the sustainability measures carried out by METRO. These evaluations provide important motivation to METRO and serve as a management tool by demonstrating the progress made and the potentials for improvement.

ISS ESG (Institutional Shareholder Services – Environmental, Social, Governance) already awarded the prime status C+ (on a scale from D- to A+) to METRO in April 2020 to recognise METRO as a leader in the industry sector. The next assessment is expected in 2023. In financial year 2020/21, METRO was listed in the Food & Staples Retailing group in the internationally important Dow Jones Sustainability Index World and Europe. In 2022, METRO was also once again listed in the FTSE4Good index. In the annual Carbon Disclosure Project (CDP), new results were last published in December 2021¹. Here, METRO now achieved an A- rating (F to A scale) in CDP Climate Change after an A rating in 2020. In addition, METRO was also assessed by CDP in the Water Security and Forests categories. In the Water Security category, METRO was able to maintain its B rating. In 3 out of 4 assessed Forests categories, the rating was also maintained: C in the Cattle category, B in the Palm Oil category and B- in the Soy category. In the Paper category, METRO was rated B- after a B rating in the previous year. Morgan Stanley Capital International Inc. (MSCI) gave METRO an AA rating (scale CCC to AAA). Sustainalytics ranks METRO's risk as low in the risk assessment with a value of 17.6 (scale 0 to 40+), which puts METRO in the 26th place out of 194 companies within the analysed sector. METRO has been listed as a member of the Bloomberg Gender-Equality Index (GEI) since 2022.

- **Further information on corporate responsibility can be found on the website www.metroag.de/en in the section Responsibility. The Corporate Responsibility Report can also be downloaded from this website.**

¹ The CDP results for 2022 are only available after the publication of the Declaration on Corporate Management.

Guidelines (METRO Fundamentals)

The cultural link for all METRO employees around the world are the so-called METRO Fundamentals, which replace the previous Guiding Principles. These guidelines are the lever to fulfil METRO's self-image as a company and provide orientation for all METRO employees in their daily work. The METRO Fundamentals summarise the dispositions, behaviours and principles of collaboration that shape the culture and identity of the entire METRO organisation.

- Further information on cultural guidelines **can be found on the website www.metroag.de/en in the section Careers – Culture – METRO Culture.**

Transparency

Transparency is another essential element of good corporate governance. The company website www.metroag.de/en is an important source of information for the shareholders of METRO AG, the capital market and the general public. Besides a host of information on METRO, the site contains the financial reports of METRO AG, investor news as well as legal notifications such as ad hoc statements, voting rights notifications and notifications of proprietary transactions by executives. METRO publishes the dates for the most important recurring publications and events (announcements of sales results, reports and quarterly statements, half-year reports, annual press conferences and Annual General Meetings) in a financial calendar on its website. The timing of the publication allows for a reasonable lead time. The website also offers information published at the occasion of current events, such as annual press conferences, roadshows, investor conferences, capital market days or other information events. METRO's public relations efforts are also supported by the Chairman of the Supervisory Board, who is reasonably prepared to hold discussions with investors on topics specific to the Supervisory Board.

Information on the procedures of the Management Board and the Supervisory Board, as well as on the composition and functions of the Supervisory Board committees

The clear division between corporate management and corporate supervision is a key element of corporate governance for German stock corporations. Duties and areas of responsibility are clearly divided between the Management Board and the Supervisory Board.

The Management Board

The Management Board of METRO AG consists of 5 members (status: 14 November 2022).

- **For information about the members of the Management Board, see the notes to the consolidated financial statements of METRO AG in no. 56 – Boards of METRO AG and mandates of their members as well as the website www.metroag.de/en, section About us – Management Board.**

RESPONSIBILITIES OF THE MANAGEMENT BOARD

The Management Board is responsible for managing METRO AG and the group. The essential management duties of the Management Board of METRO AG include the definition of corporate objectives, determination of the strategic direction for the group, management and supervision of the group, as well as corporate planning. In addition, the Management Board of METRO AG ensures the availability of investment funds, decides on their allocation within the group and is responsible for attracting and supporting managers.

Fundamental rules on cooperation within the Management Board are set out in the Code of Procedure, which is stipulated by the Management Board and approved by the Supervisory Board. The members of the Management Board are jointly responsible for all aspects associated with the management of the company. They cooperate constructively and keep one another informed on important measures and occurrences in their business segments. Without prejudice to the Management Board's collective responsibility, each individual member of the Management Board

heads the business segments assigned to him or her in the schedule of responsibilities. The Management Board of METRO AG has not formed any board committees. The matters requiring a resolution by all members of the Management Board are set out in the Code of Procedure of the Management Board. For example, they include all fundamental organisational questions, issues relating to business policy as well as METRO's investment and financial planning. The Chief Executive Officer is responsible for coordinating all business segments and representing the company to the shareholders and the general public. He is also the first contact for the Chairman of the Supervisory Board.

In accordance with its Code of Procedure, the Management Board passes most resolutions in meetings, which take place at least twice in each month. The Code of Procedure also stipulates requirements for convening meetings and their conduct and provides for the necessary majority required for the adoption of resolutions.

- **The Code of Procedure of the Management Board of METRO AG can be found on the website www.metroag.de/en in the section About us – Corporate Governance.**

Although the Management Board has not formed any formal committees, it has transferred the management of global commercial activities to the Commercial Board. In addition to the members of the Management Board, the members of the Commercial Board are the Executive Vice Presidents of METRO AG and the CEOs of the largest national subsidiaries. An Investment Committee and a Digitalisation Committee have also been set up to decide centrally on the release of investment funds if defined thresholds are exceeded. In addition to representatives of the respective specialist functions, all members of the Management Board are also members of the 2 committees.

The Supervisory Board

In accordance with the stipulations of the German Co-determination Act, the German Stock Corporation Act (AktG) and METRO AG's Articles of Association, the Supervisory Board of METRO AG is composed of 10 shareholder representatives and 10 employee representatives. In addition, women and men each hold at least 30% of the seats on the Supervisory Board.

- **For information about the members of the Supervisory Board, see the notes to the consolidated financial statements of METRO AG in no. 56 – Boards of METRO AG and mandates of their members as well as the website www.metroag.de/en, section About us – Supervisory Board.**

RESPONSIBILITIES OF THE SUPERVISORY BOARD

The Supervisory Board of METRO AG appoints the members of the Management Board, provides advice to the Management Board and continuously monitors its corporate management, including with regard to the attainment of long-term corporate objectives. The Management Board involves the Supervisory Board in its plans for the future development of METRO and in decisions concerning important measures. In addition to its statutory approval requirements, the Supervisory Board has determined its own approval requirements for certain actions and business dealings.

The Supervisory Board of METRO AG generally holds 7 ordinary meetings in each financial year. Requirements for the convening of meetings and adoption of resolutions are set out in the Code of Procedure of the Supervisory Board.

- **The Code of Procedure of the Supervisory Board of METRO AG can be found on the website www.metroag.de/en in the section About us – Corporate Governance.**

Detailed information on the meetings of the Management Board and the Supervisory Board of METRO AG in financial year 2021/22 and their cooperation is provided in the report of the Supervisory Board.

- **The report of the Supervisory Board is included in the annual report and can be found on the website www.metroag.de/en in the section About us – Supervisory Board.**

THE SUPERVISORY BOARD COMMITTEES

The work of the Supervisory Board is supported by 4 permanent committees formed from amongst its members. Specifically, these are the Presidential Committee, the Audit Committee, the Nomination Committee and the Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act (MitbestG). The duties of the permanent committees and their composition are defined in §§ 5 et seqq. of the Code of Procedure of the Supervisory Board and, for the Audit Committee, in §§ 1 and 2 of the Code of Procedure of the Audit Committee.

- **The Code of Procedure of the Audit Committee of the Supervisory Board of METRO AG can be found on the website www.metroag.de/en in the section About us – Corporate Governance.**

The Presidential Committee of the Supervisory Board consists of Jürgen Steinemann (Chairman), Xaver Schiller (Vice Chairman), Thomas Dommel, Prof. Dr Edgar Ernst, Roman Šilha and Manuela Wetzko (status: 14 November 2022).

The members of the Audit Committee are Prof. Dr Edgar Ernst (Chairman), Xaver Schiller (Vice Chairman), Marco Arcelli, Stefanie Blaser, Michael Heider, Jürgen Steinemann, Stefan Tieben and Manfred Wirsch (status: 14 November 2022).

The members of the Nomination Committee are Jürgen Steinemann (Chairman), Gwyn Burr and Roman Šilha (status: 14 November 2022).

The Mediation Committee consists of Jürgen Steinemann (Chairman), Xaver Schiller (Vice Chairman), Thomas Dommel and Prof. Dr Edgar Ernst (status: 14 November 2022).

- **For information about the composition of the permanent committees of the Supervisory Board, see the notes to the consolidated financial statements of METRO AG in no. 56 – Boards of METRO AG and mandates of their members as well as the website www.metroag.de/en, section About us – Supervisory Board.**

INFORMATION OF THE SUPERVISORY BOARD BY COMMITTEES AND THE MANAGEMENT BOARD

The respective committee chairperson informs the Supervisory Board about resolutions and essential aspects of the committee's consultations in due course, usually verbally in the next meeting of the Supervisory Board.

The Management Board informs the Supervisory Board in accordance with the statutory requirements, the recommendations of the GCGC, the provisions of the Code of Procedure of the Management Board, the Supervisory Board and the Audit Committee as well as in response to other specific requests for information from the Supervisory Board. The Supervisory Board and its committees substantiate the topics and time intervals for information and reporting in a plan for meetings and fixed agenda items, which is part of the Code of Procedure of the Supervisory Board.

LONG-TERM SUCCESSION PLANNING

The Management Board and the Supervisory Board jointly ensure long-term succession planning. As provided for in the plan for meetings and fixed agenda items, long-term succession planning is discussed once a year by the Supervisory Board and twice a year by the Presidential Committee of the Supervisory Board with the members of the Management Board and the Chairman of the Management Board respectively. Aside from the processes for identifying and promoting suitable potential candidates, detailed discussions are focused on the specific succession banks for the Management Board and senior management. The discussions consider the contractual terms and any extension options of the currently appointed members of the Management Board as well as the diversity concept for the composition of the Management Board. Furthermore, long-term succession planning is based on the regular exchange between the chairpersons of the Management Board and the Supervisory Board.

SELF-ASSESSMENT OF THE SUPERVISORY BOARD

The Supervisory Board of METRO AG regularly assesses how effectively the Supervisory Board as a whole and its committees perform their duties. Suitable improvement measures are filtered out from

the results of these self-assessments and implemented, if necessary. The last self-assessment was carried out at the end of financial year 2019/20. A questionnaire for the self-assessment was prepared internally by the office of the Supervisory Board of METRO AG, covering the following topics: composition, organisation, information and information exchange, control over personnel, monitoring of management, accounting and auditing as well as accountability and corporate governance. The work of the committees of the Supervisory Board was also assessed. The members of the Audit Committee were also provided with an additional questionnaire. The members of the Supervisory Board had the option to submit their assessment in writing and anonymously. The anonymous assessment and the identified potential for improvement were subsequently presented and discussed at the Supervisory Board meeting.

Determinations pursuant to § 76 Section 4 of the German Stock Corporation Act (AktG)

Pursuant to § 76 Section 4 of the German Stock Corporation Act (AktG)², the Management Board of METRO AG has adopted the target of 25% for the proportion of female executives on the first management level below the Management Board and the target of 40% for the proportion of female executives on the second level below the Management Board to be attained by 30 September 2025. At the end of financial year 2021/22, a share of 25.7% of women were employed on the first management level below the Management Board and 26.1% on the second management level below the Management Board. Furthermore, METRO voluntarily set a target for the share of women in executive positions in its wholesale business. According to this, the share of women in management positions at levels 1 to 3 (including store management) of METRO locations worldwide is to be 30% by September 2025. At the end of financial year 2021/22, the global percentage of women in management positions at levels 1 to 3 (including store management) is 26.3%.

Disclosures concerning the minimum proportion of female and male members of the Supervisory Board

For listed companies and companies with equal shareholder and employee representation such as METRO AG, § 96 Section 2 of the German Stock Corporation Act (AktG) requires the Supervisory Board to be composed of at least 30% women and at least 30% men. METRO AG complied with these minimum proportions throughout financial year 2021/22. Currently (status: 14 November 2022), the Supervisory Board of METRO AG is composed of 7 female (35%) and 13 male (65%) office holders. On the part of the employee representatives, the Supervisory Board is composed of 4 female (40%) and 6 male (60%) office holders, while the shareholder representatives account for a ratio of 3 female (30%) and 7 male (70%) members.

Disclosures concerning the participation requirement of female and male members of the Management Board

The Act to Supplement and Amend the Regulations for Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector (Second Act on Equal Participation of Men and Women in Management Positions – FÜPoG II) introduced the so-called participation requirement in § 76 Section 3a of the German Stock Corporation Act (AktG): if the Management Board of a listed company with equal shareholder and employee representation consists of more than 3 persons, at least 1 woman and at least 1 man must be a member of the Management Board. Compliance with the participation requirement has been mandatory since 1 August 2022 for appointing individual or several members of the Management Board. Due to the size of its Management Board, METRO AG

² In the version applicable until 11 August 2021.

falls within the scope of the participation requirement. Consequently, it has complied with this requirement for appointments to the Management Board since 1 August 2022. The appointment of Christiane Giesen as a member of the Management Board became effective on 15 September 2022; since then, the Management Board of METRO AG has consisted of 1 woman and 4 men (status: 14 November 2022).

Diversity concept for the Management Board

Description

In financial year 2021/22, the diversity concept for the Management Board stipulated that age, gender, educational and professional background and internationality must be reflected in the composition of the Management Board as follows:

- All members of the Management Board must not only have solid general qualifications, but must also be individuals capable of helping the company address its current situation and future challenges.
- The members of the Management Board should come from different educational and/or professional backgrounds.
- The members of the Management Board should complement each other with regard to their expertise and knowledge. All members of the Management Board should have expertise and experience in trade, food, supply chain, sustainability and digitalisation.
- The composition of the Management Board should adequately represent the internationality of METRO AG.
- All members of the Management Board should have long-standing management experience.
- The initial appointment of members of the Management Board should not exceed 3 years.
- The Management Board should have a balanced age structure.
- The ordinary office term of a member of the Management Board should not extend past the member reaching the age of 65.
- The company intends to appoint at least 1 female member to the Management Board by 30 June 2022.

In September 2022, the Supervisory Board routinely reviewed the diversity concept for the Management Board and adjusted it to align with the amendments to the German Stock Corporation Act (AktG) introduced by the Second Act on Equal Participation of Men and Women in Management Positions (FüPoG II). The obligation of the Supervisory Board to set targets for the proportion of women on the Management Board and deadlines for achieving them no longer applies. Instead, the Management Board of METRO AG is subject to the participation requirement pursuant to § 76 Section 3a of the German Stock Corporation Act (AktG). With that in mind, the objective of having at least 1 woman on the Management Board by 30 June 2022 has been deleted from the diversity concept. Instead it has been included by declaring that the Management Board of METRO AG must henceforth include at least 1 woman.

Objectives

The objective of this diversity concept is to achieve a composition of the Management Board that ensures that its members have the necessary knowledge, expertise and professional experience that allow the entire Management Board to manage and steer the company in the best possible way.

Implementation

The Supervisory Board and its Presidential Committee ensure that the appointment of members to the Management Board gives adequate consideration to the postulated diversity concept. Decisions on the size of the Management Board, the appointment of members to the Management Board, as well as the identification of suitable candidates are based on diligent analysis of existing and future

commercial challenges and targets. The diversity concept for the Management Board also serves as the foundation for long-term succession planning.

Furthermore, the recommendations of the GCGC and the relevant laws are taken into account.

Results achieved in financial year 2021/22

The diversity concept with regard to the composition of the Management Board is currently fulfilled. Besides being individually qualified for performing their respective responsibilities, the members of the Management Board also come from different educational and/or professional backgrounds. The necessary expertise and experience in the areas of relevance for METRO is assured. There are in particular no gaps in the members' skills, but rather overlapping skills, which sustainably promotes the performance of the Management Board as a team. The members of the Management Board have long-standing - in some instances international - management experience. At the end of financial year 2021/22, 3 different nationalities are also represented on the Management Board. The initial appointments of Christiane Giesen and Claude Sarrailh as members of the Management Board in financial year 2021/22 are limited to 3 years respectively. The age structure is balanced and no term of office extends beyond the age of 65. The Management Board includes 1 female member, with Andrea Euenheim holding that position until 31 March 2022 and Christiane Giesen since 15 September 2022.

Diversity concept for the Supervisory Board

Description

The diversity concept for the Supervisory Board includes objectives for the composition of the Supervisory Board and a competence profile for the entire corporate body as defined by the GCGC. In financial year 2021/22, it stipulated that age, gender, educational and professional background and internationality must be reflected in the composition of the Supervisory Board.

The objectives for the composition of the Supervisory Board were:

- The members of the Supervisory Board should complement each other with regard to their educational and professional background, experience and skills in such a way that the overall corporate body can draw on the competences defined in the competence profile for the overall body.
- An adequate number of the members of the Supervisory Board should have international experience or expertise.
- The statutory gender quota of 30% is proposed to be met by both shareholder representatives and employee representatives. It means that at least 3 of the members of the Supervisory Board on each side should be female.
- A member of the Supervisory Board who is not a member of the management board of a listed company should not hold more than 5 supervisory board mandates at non-group listed companies or comparable functions. In this regard, a supervisory board chairmanship counts double.
- If a member of the Supervisory Board is a member of the management board of a listed company, he/she shall not hold more than 2 supervisory board mandates in non-group listed companies or comparable functions and shall not chair the supervisory board of a non-group listed company.
- In the opinion of the shareholder representatives, at least 6 shareholder representatives should be independent as defined in the German Corporate Governance Code, that is, they should be independent of the company and its Management Board and independent of a controlling shareholder.
- The Chairman of the Supervisory Board, who, in accordance with the Code of Procedure of the Supervisory Board, is also the Chairman of the Presidential Committee, which deals with the remuneration of the Management Board, should be independent of the company and the Management Board as outlined in the German Corporate Governance Code.
- Collectively, all members of the Supervisory Board must be familiar with the sector (trade) in which the company operates.

- At least 1 member of the Supervisory Board must have expertise in the field of accounting and at least 1 other member must have expertise in the field of auditing. The same applies to the Audit Committee.
- At least 1 member of the Supervisory Board must meet the requirements for being appointed the chairperson of the Audit Committee. The chairperson of the Audit Committee must be independent as defined by the German Corporate Governance Code, that is, independent of the company and its Management Board and independent of a controlling shareholder. He/she must have special knowledge and experience in the application of accounting principles and internal control procedures and be familiar with auditing. The other committee members should possess adequate professional expertise and experience in these areas. Ideally, 1 member of the Audit Committee should have special expertise in the field of compliance.
- No more than 2 former members of the Management Board should be members of the Supervisory Board.
- In order to prevent potential conflicts of interest, members of the Supervisory Board may not hold an office in a corporate body of or an advisory function for a major direct competitor of the company or a group company and may not have a personal relationship with a major competitor.
- The ordinary maximum office term for members of the Supervisory Board is 10 years. The ordinary office term for shareholder representatives appointed to the Supervisory Board is 3 years. The Supervisory Board determines exceptions from the ordinary criteria at its own dutiful discretion on a case-by-case basis.
- As a general rule, only candidates who are not older than 65 years at the time of their initial election should be proposed for their first election to the Supervisory Board. As a general rule, only candidates who are not older than 71 years at the time of their election should be proposed for being elected a member of the Supervisory Board. The Supervisory Board determines exceptions from the ordinary criteria at its own dutiful discretion on a case-by-case basis.

According to the competence profile, the entire corporate body was supposed to possess the following competences in financial year 2021/22:

- Trade expertise
- Knowledge/experience in accounting, audit, internal control procedures
- Knowledge in the area of compliance
- Expertise in the area of mergers and acquisitions
- Expertise in the area of digitalisation/technology
- International experience/expertise, in particular in Eastern Europe
- Expertise in the area of sustainability
- Expertise in logistics, in particular in the field of supply chain
- Marketing expertise
- Human resources expertise
- Experience in the management of a company

In September 2022, the Supervisory Board reviewed and partially adjusted the diversity concept for its composition, primarily to comply with amendments to the German Corporate Governance Code. Notably, the new recommendation D.3 of the German Corporate Governance Code was reflected. It specifies the legally required expertise in the areas of accounting and auditing. It also amends the previous recommendation on financial expertise by recommending that the chairperson of the Audit Committee should be appropriately experienced in at least 1 of the 2 areas. Furthermore, the legally required familiarity of the Audit Committee with the sector in which METRO operates is now also reflected in the diversity concept. As part of the competence profile for the entire committee, the requirement for experience in the area of compliance has been expanded to include experience in the area of governance. Furthermore, the requirement for expertise in the area of human resources has been expanded to include expertise in the area of corporate co-determination. With regard to expertise in the area of sustainability, it was clarified that this relates to the (ecological and social) sustainability issues that are significant for METRO.

Objectives

The composition of the Supervisory Board should ensure that its members have the necessary knowledge, expertise and professional experience required for the entire Supervisory Board to properly perform its duties and that the statutory gender quota is met.

Implementation

The Supervisory Board presents its proposals for the election of members to the Supervisory Board to the shareholders at the occasion of the Annual General Meeting. In deciding about the candidates proposed for election, the Supervisory Board gives consideration to statutory requirements, the Articles of Association, as well as the objectives set out above for its composition and the overall profile of expertise for the entire corporate body. The same applies for the Nomination Committee, which supports the Supervisory Board in the identification of suitable candidates to represent the shareholders on the Supervisory Board.

Results achieved in financial year 2021/22

The diversity concept for the composition of the Supervisory Board was fulfilled in the version pursued for financial year 2021/22 and in its adapted version. All members of the Supervisory Board contribute their manifold specific expertise to the work in the committees. They complement each other with regard to their age, educational and professional backgrounds, experience and skills. This enables the Supervisory Board to draw on the competences defined in the competence profile and completes the competence profile for the entire corporate body. Several members of the Supervisory Board have international expertise and/or experience. The Supervisory Board includes 4 female employee representatives and 3 female shareholder representatives. The upper limits for the number of mandates are met. The composition of the Supervisory Board satisfies the objective in terms of the number of independent members of the Supervisory Board and/or shareholder representatives. As of the date of this report, 7 out of the 10 shareholder representatives are independent within the meaning of the GCGC. The individual members are: Jürgen Steinemann, Gwyn Burr, Prof. Dr Edgar Ernst, Dr Fredy Raas, Eva-Lotta Sjöstedt, Dr Liliana Solomon and Stefan Tieben. The Chairman of the Supervisory Board, Jürgen Steinemann, who is also Chairman of the Presidential Committee, is independent of the company and the Management Board as defined by the GCGC. The former and current objectives in terms of the chairperson and the members of the Audit Committee have also been satisfied. The Audit Committee's independent Chairman as defined in the GCGC is Prof. Dr Edgar Ernst.

No member of the Supervisory Board of METRO AG holds an office in a corporate body of or an advisory function for a substantial direct competitor, is a member of such a company's supervisory board or has a personal relationship with such a company. The ordinary maximum term, the ordinary term of office for shareholder representatives and the ordinary retirement age are stipulated in the Code of Procedure of the Supervisory Board. The ordinary office term for all shareholder representatives appointed to the Supervisory Board is 3 years, except for Dr Fredy Raas, who requested a 1-year term. No member of the Supervisory Board has reached the ordinary maximum office term or exceeded the standard age limit at the time of his/her (first) election to the Supervisory Board.

Collectively, all members of the Supervisory Board and the Audit Committee possess the necessary familiarity with the trade sector. Moreover, the Audit Committee, and consequently also the Supervisory Board, are in full compliance with the requirements of the diversity concept with regard to expertise in the fields of accounting and auditing. Prof. Dr Edgar Ernst as Chairman of the Audit Committee and Stefan Tieben as a member of the Audit Committee each have expertise in accounting and auditing as defined in recommendation D.3 of the German Corporate Governance Code. With regard to Prof. Dr Edgar Ernst, this is primarily attributable to his long-standing occupation as Chief Financial Officer of Deutsche Bundespost POSTDIENST (later: Deutsche Post AG) and President of the German Financial Reporting Enforcement Panel (Deutsche Prüfstelle für Rechnungslegung) as well as his function as Chairman of the Audit Committee of various listed companies. In addition to chairing the Audit Committee of METRO AG, Prof. Dr Edgar Ernst currently chairs the audit committees of TUI AG and Vonovia SE. Accordingly, his expertise in the fields of accounting and

auditing also includes sustainability reporting and the associated auditing. For several years, his role on the audit committees of these companies involved auditing non-financial statements, which were prepared in accordance with the GRI standards on sustainability reporting and the UN Global Compact. He also oversaw their audit by the auditor. Stefan Tieben has expertise in the fields of accounting and auditing due to his long-standing experience as an auditor, tax adviser and tax consultant and as partner at the auditing and tax consulting firm RLT Ruhrmann Tieben & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. Due to this activity and his experience as a member of the Audit Committee of METRO AG, his expertise in the fields of accounting and auditing also includes corporate responsibility reporting and the associated audit.

- **Like the curricula vitae of the other members of the Supervisory Board, the CVs of Prof. Dr Edgar Ernst and Stefan Tieben with additional information can be found on the website www.metroag.de/en in the section About us – Supervisory Board.**

The following qualification matrix shows the implementation of the competence profile in its current version:

Competence	Competence share*
Trade	●●●
Accounting, audit, internal control procedures	●●
Compliance/governance	●●
Mergers & acquisitions	●●
Digitalisation/technology	●●
International expertise, in particular in Eastern Europe	●●
Sustainability (ecological/social)	●●
Logistics, in particular supply chain	●
Marketing	●
Human resources/corporate co-determination	●●●
Management of a company	●●

* ●●● = more than 10 members, ●● = 6-10 members, ● = 1-5 members

Düsseldorf, 14 November 2022

METRO AG

THE MANAGEMENT BOARD

THE SUPERVISORY BOARD