

METRO Policy for Sustainable Sourcing

Introduction:

We are made to trade – today in readiness for tomorrow and out of a sense of responsibility. This aim is at the very core of our business and forms the foundation of our lasting success. With our holistic approach, we measure this success not only on the basis of economic results, but also according to environmental and social values that come about when we intensify the positive impact of our activities. This fundamental understanding of responsible business is reflected in our sustainability vision: METRO. We offer quality of life. For our customers, for our employees, for all people who work for us and for society.

We derive strategic goals in order to already achieve the prerequisites for our future business activities. Our strategic alignment that derives from our vision is reflected in our four fields of action:

- 1) Supply Chain & Products
- 2) Energy- and Resource Management
- 3) Employees and Social Affairs
- 4) Social Policies and Stakeholder Dialogue

With regards to the fields of action Supply Chain & Products this policy defines our strategic goal related to the responsible sourcing of products. It also provides the framework for the achievement of the strategic goal.

Purpose:

Our core business is providing private and commercial customers around the world with high-quality, safe products. In particular, we sell millions of our products under our own brands every day, and we recognize that they can have an impact on people, animals and the environment.

As a retail and wholesale company that operates sustainably, we acknowledge our responsibility along the entire supply chain – starting with our selection of manufacturers, agricultural growers and food and non-food producers through transport, storage and distribution right up to the store and the consumer, including handling of waste.

By devising and implementing guidelines for sustainable purchasing and also monitoring compliance with social, environmental and quality standards, we strengthen our procurement channels and contribute to improving the quality and sustainability of our products.

We therefore have developed a METRO Policy for Sustainable Sourcing.

The purpose of this policy is to serve as an umbrella to cover topics related to sustainability, for example the areas of animal welfare, biodiversity, water protection and social welfare.

Scope:

This Policy for Sustainable Sourcing applies to our own brand food and non-food products, sourced global and local. Also we expect our branded product suppliers (food and non-food) to act in the same spirit of this Policy for Sustainable Sourcing.

Policy:

Our ambition is to source products responsibly, i.e. in environmental, social and economic terms. For us this means to pursue opportunities and to prevent possible negative impacts along the whole supply chain.

We are increasing the sustainability of our own brand products, including packaging, with a focus on critical commodities and products that have potentially significant negative social and environmental impacts. Examples are:

- Palm Oil
- Fish
- Paper and Wood

We aim to achieve our ambitions by making sure that our products meet the available international standards or solutions for food and non-food safety, for environmental protection and continuing to implement our social compliance program for our own brand suppliers.

Responsibilities and Implementation:

This overall Policy for Sustainable Sourcing of our own brand products serves as a framework directive for our sales divisions. Each sales division will implement sales division specific guidelines or policies in order to contribute to the achievement of the ambition of this Policy and will set up implementation plans and operational targets.

Each sales division will drive the implementation on its own responsibility and will report on the progress made to METRO.

Monitoring:

The progress against the fulfilment of this Policy's ambition will be measured on the basis of the following activities:

- Latest by 2015, our sales divisions have defined processes in order to assess the sustainability effects of the sales divisions own brand products.

Each sales division will define and prioritize its specific portfolio of own brand products and/or commodities. The selection of own brand products will be based on how material the product is for the sales division and on the potential negative social and/or environmental impact of the product. Each sales division will set global targets for these selected own brand products relating to product safety, working conditions in the supply chain, sustainable sourced critical commodities, and the social and environmental impact of own brand products across their supply chains by 2015.

- By 2015 our sales divisions will have defined operational KPI's to fulfil these global targets.

Communication on Progress:

METRO will make this policy publicly available and will inform on the progress made through METRO's Sustainability Report.