

Policy for Human Rights

Within METRO own operations
and its entire value chain

1. Commitment

The respect of Human Rights is a fundamental value of METRO. We are committed to respecting all Human Rights, as articulated in the Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO). This commitment relates to our own employees as well as to our business relations within our value chain.

We are signatory of the United Nations (UN) Global Compact thus support the UN Guiding Principles on Business and Human Rights as well as the UN Sustainable Development Goals. Consequently METRO embedded these values in its Business Principles 6 and 7.

METRO strives to be a sustainable and responsible company and create a work environment which is inclusive of all people regardless of gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or

other areas of potential difference. Our standards are aligned with internationally recognised principles and fulfil or exceed existing laws and regulations.

We recognise that our corporate actions affect our stakeholders and thus can also have an effect on our business in return.

We do not tolerate or condone the abuse of Human Rights within any part of our own business operations or our value chains, and we will take seriously any allegations that Human Rights are not properly respected.

2. Process

A. Business Partners in the Value Chain

Before entering a business relationship all our business partners are screened and additionally, all Non-Food Own-Brand Suppliers have to provide for a valid and acceptable audit by the Business Social Compliance Initiative (BSCI) and/or by any further benchmarked and accepted social compliance standard. To monitor and manage the status of Non-Food Own-Brand Suppliers a METRO specific database was set up.

Those METRO buyers involved in the process are trained on our internal social compliance process, e.g. supported by an e-learning program.

For food products a hot spot analysis as well as materiality analysis was set up in 2016, the latter to be reviewed in 2018. Both analyses are the basis for prioritization and further approach on our Food Own-Brand Suppliers.

For our business partners in the value chain, we have specifically established a “deal breaker process” for those who are not in line with our “deal breaker requirements” regarding

- Child labour
- Forced labour
- Fire safety failings (leading to imminent and significant danger) or
- Unethical behaviour.

Any deal breaker incident leads to suspension of the supplier and its respective producer until a valid and

acceptable social standard audit can be proven.

We expect our business partners to adopt and adhere to similar values. Therefore, compliance with our Business Partners Code of Conduct is part of each business relationship. This Code of Conduct covers compliance with Human Rights, labour and social issues, environmental protection as well as business ethics, precisely anti-corruption and bribery, antitrust and competition as well as data protection. Furthermore, all our Own-Brand contracts include a social standard clause which provides for a legal lever.

B. Our own employees

For our own employees and service providers operating within our owned and rented facilities, we have established an internal assessment process taking the aspects of the Principles on Fair Working Conditions and Social Partnership, as well as Data Protection and Grievance Mechanisms into account. The audit process is designed as a process of continuous improvement. It starts with a five day review and assessment of impacts of our business operations closely integrating the respective management.

During this process the respective management is supported in defining and implementing corrective measures.

The identified gaps as well as the corrective measures and timelines for remediation are captured in the

assessment report which is distributed to the management boards of the business operations as well as all relevant stakeholders at METRO AG.

The progress of the corrective measures is followed up with business operations after six to twelve months. The overview of the assessed countries as well as the summary of the results is communicated on the website as well as in the annual Corporate Responsibility Report. This process embraces stakeholder engagement and the access to remedy. Until 2019 all METRO Cash & Carry companies will be assessed followed by METRO affiliate companies (100 % share in capital) to be reviewed under this scope from 2020 on.

We also never compromise on the safety and security of our employees. Our Occupational Health and Safety (OHS) Management, namely our OHS Officers strive towards creating a sound work environment and further reduce the number of accidents and occupational illnesses. Accident reporting in itself proves a very sufficient process that allows for an evaluation of the causes of accidents and the identification of areas with high accident rates as well as especially vulnerable employee groups. This enables us to identify hazard spots and define targeted countermeasures. To avoid accidents, METRO continuously focuses on OHS training for its employees.

3. Governance, due diligence and reporting

A. Governance

In order to comply with the described commitment and respective processes METRO established OHS managers and compliance officers in each country where METRO operates as well as an overarching Sustainability management that serves the purpose of systematically and structurally anchoring the notion of sustainability in our core business operations and to consider the interdependencies between economic, environmental and social aspects in an efficient, solution-driven manner. The METRO Sustainability Committee charts the strategic course for the entire company's sustainability-related performance and develops targets for core issues. The Round Table on Corporate Responsibility serves as the interface between the strategic and operational aspects of sustainability. This corporate body lays the groundwork for decisions taken by the Sustainability Committee and assists in their implementation. On the operational level, METRO's sales lines Real and METRO Cash & Carry are charged with defining specific goals and programmes, putting them into practice in their daily business operations and ensuring that the objectives are reached. They report their progress to the Sustainability Committee at the round-table meetings. On country level each a Corporate Responsibility Responsible is established in order to mirror our governance structure.

B. Due Diligence

Our sustainability management is closely tied to our management of risks and opportunities. This enables METROs Management Board to systematically identify, evaluate and control deviations from the sustainability goals and the ensuing risks and opportunities. Particularly for METROs self-imposed guidelines on fair working conditions and social partnership a due diligence procedure was established to ensure adherence to those very principles. It is based on the obligation to implement those principles and contains the inclusion of interest groups, training opportunities, the examination of risks and negative impacts in METROs operating countries and measures for the prevention, correction and control of violations of these principles.

C. Reporting

We promote Human Rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGP) and regularly report on Human Rights and ILO principles within our annual Corporate Responsibility report as well as the UN Global Compact progress reporting.

4. Complaint Mechanisms

Our employees can consult their managers as well as company compliance officers. In 2016 METRO established a publicly available tool which allows any company or individual person involved in our business activities to report situations that are not in compliance with METRO values, policies and/or legal regulations. The website is accessible through the METRO Compliance page:

<https://www.metroag.de/en/company/compliance>

as well as directly:

<https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=13MET20&language=eng>

All reported incidents are investigated by our experts and processed in due time.