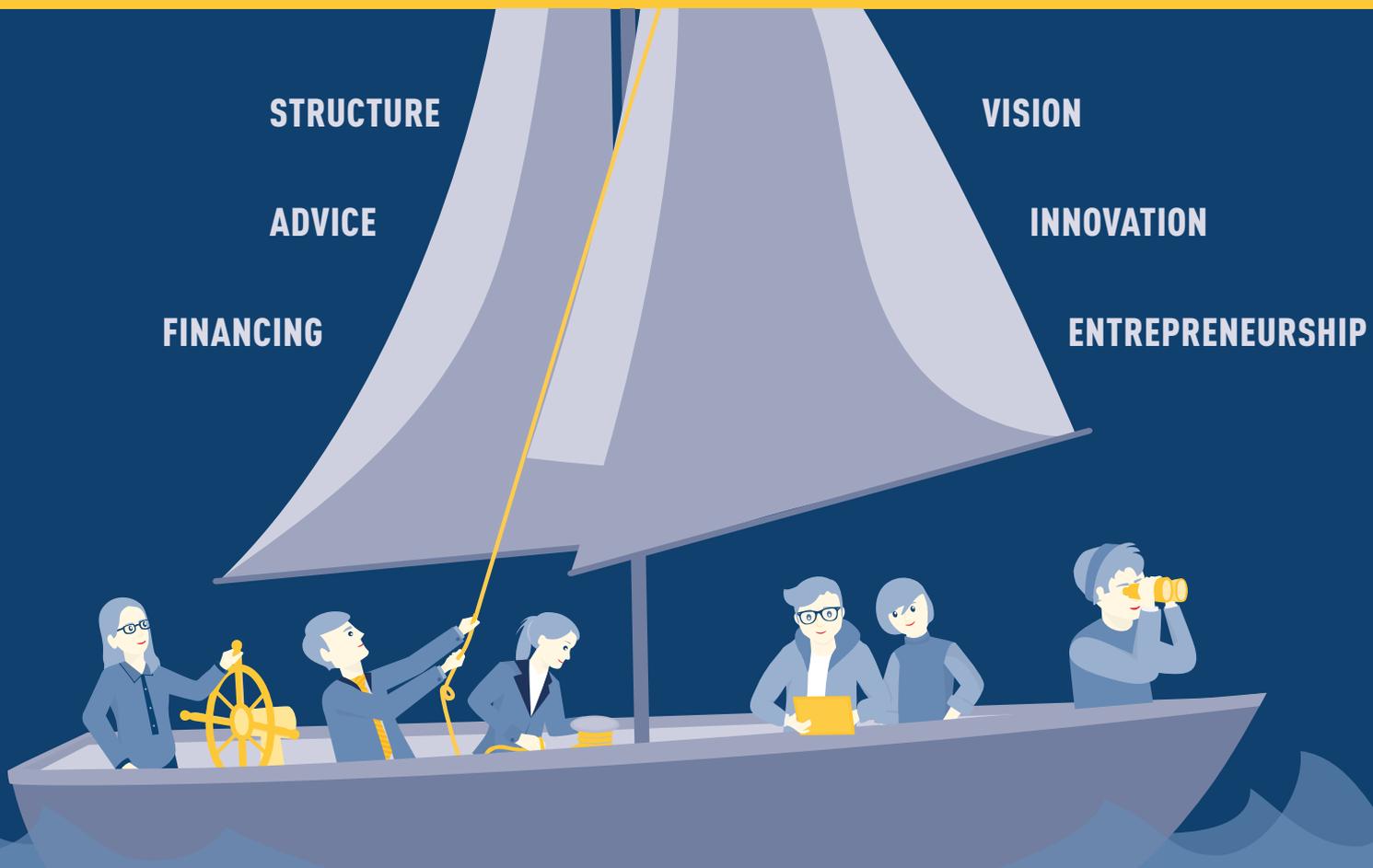


Issue 01 / February 2016

METRO GROUP TRADE LETTER

JOINTLY ON COURSE FOR SUCCESS

New partnerships between start-ups and businesses



OTHER TOPICS IN THIS ISSUE

Insights: How self-checkout works

Wednesday Social: With Olivier Guersent of the European Commission

Interview: Recyclable materials legislation – what does the future hold?

AGENDA

A true customer focus calls for a spirit of innovation



What moves our customers? What products and services can we get them excited about? Which channels do they want to use to contact us? These are questions that we consider every day. And to come up with the right answers, what we need above all is a customer focus, innovation and a willingness to change. Because the needs and challenges being faced are subject to an incredible change dynamic – this applies not only to METRO Cash & Carry’s professional customers in the food service and hotel industries, but also to the private customers of Real, Media-Markt and Saturn.

We explore new paths and place a great deal of emphasis on partnerships in order to cater to our customers’ needs as best we can and make them more

satisfied and more successful. We firmly believe that partnerships in particular can bring together complementary skills to open up entirely new opportunities. Together with Techstars and R/GA, we at METRO Cash & Carry conducted an accelerator programme that primarily focused on innovative digital solutions for the hospitality sector. We have also initiated a similar programme at Media-Markt and Saturn for digital business models in the consumer electronics sector, together with a whole host of top-performing partners. The benefits that this type of partnership offers for established businesses, start-ups and, in particular, customers are outlined in the focal point of this issue of the METRO GROUP TRADE LETTER. We also examine the legal parameters needed in order to make the Digital Single Market a reality for businesses and consumers.

What does the future hold for the planned recyclable materials legislation? This question is discussed by Marion Sollbach, chair of the Advisory Board of BHIM Zentrale Wertstoffstelle Projektgesellschaft mbH, and Detlef Raphael, head of the Department for Environment and Economy within the Association of German Cities, in the Trade Letter interview on pages 8 to 10. They outline the challenges of

formulating modern recyclable materials legislation and emphasise that in particular a willingness to compromise is needed if the legislation is to be implemented during the current legislative period in Germany.

The future outlook was also the topic of the latest Wednesday Social in Brussels, which is reviewed on page 7. Under the heading of ‘Quo vadis EURO? – Stress test for the EU’, Olivier Guersent, Director General of the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA), discussed the future of the eurozone and the European project with the attendees.

In this issue’s ‘Eating Good Food’ column, we spoke to Germany’s Federal Minister for Economic Cooperation and Development, Dr Gerd Müller, about healthy eating, global food security and sustainable consumption.

We hope you take this opportunity to send us your queries and suggestions to dialog@metro.de or as a tweet via [@DasGuteessen](https://twitter.com/DasGuteessen).

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FOCAL POINT

Achieving innovation together

Large companies aren't exactly renowned for being pioneers when it comes to generating innovative ideas. Meanwhile, start-ups, which do enjoy this reputation, often lack expertise, structures and the capital required for long-term success during their growth stages. Accelerator programmes help to bring these two worlds together.

Düsseldorf, 12.30 p.m. The Italian restaurant Teatro Più is bustling and the majority of the tables are taken. Eight employees from the adjacent theatre enter the restaurant. Soon after the group have taken their seats, their meals are served. The co-workers engage in animated conversation while they eat – and leave the restaurant about half an hour later without paying, because the bill has already been paid. This is all made possible by a new start-up called Lunchio: people who are looking for good food but who have little time and don't want to waste it on a lengthy ordering and payment process can go to lunchio.de, view some selected restaurants' menus, place an order in advance online and make an electronic payment – their meal is then served at the restaurant punctually at the agreed time. It's a practical service for people who work.

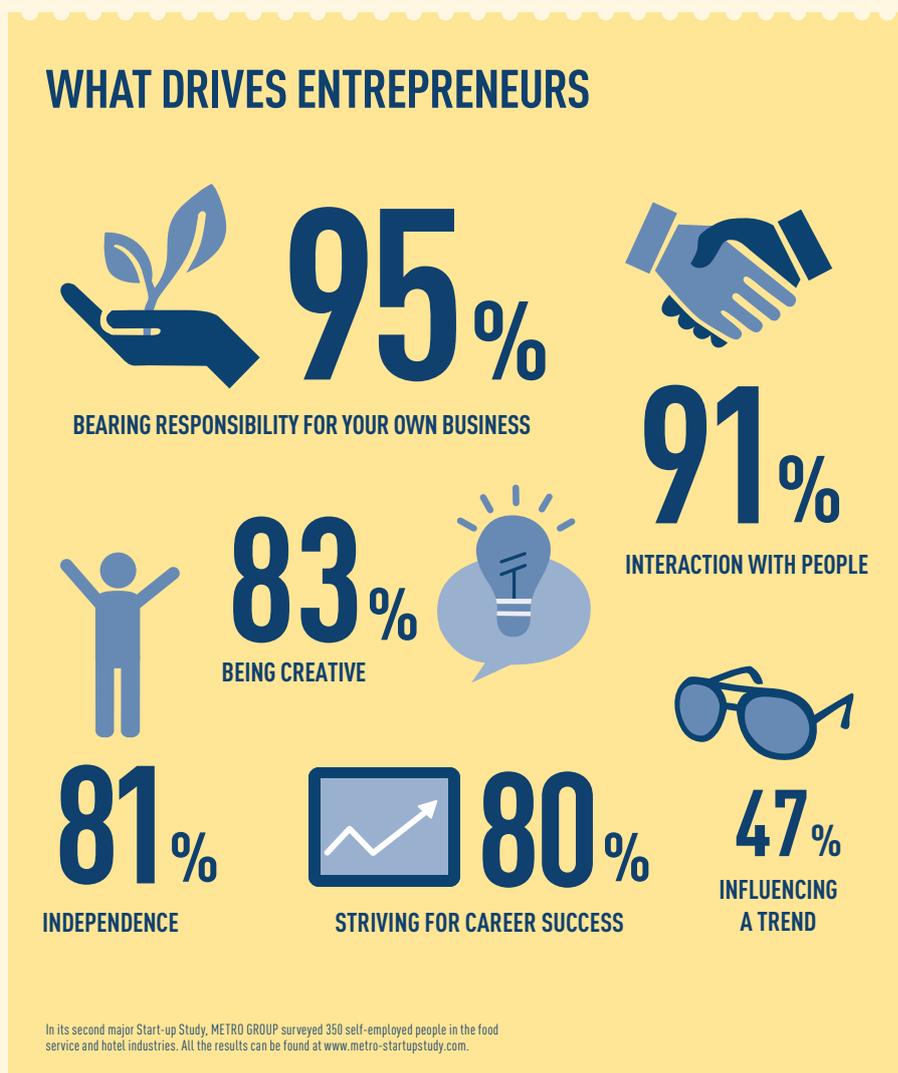
Support in all areas

Lunchio is one of eleven start-ups that were promoted as part of the international programme Techstars METRO Accelerator from October 2015 to January 2016. The accelerator programme supports start-ups that offer digital services for businesses in the food service industry. They develop software solutions and apps for restaurateurs and hoteliers: for booking systems, targeted marketing or improved quality assurance.

The aim of the programme's three-month promotional period was to give

start-ups support from mentors and experts in bringing their business ideas to market maturity or to help them grow. In mid-2015, Media-Saturn launched SPACELAB for start-ups all along the electronics retail value chain. In addition

to providing financial investment, this entails experts from within Media-Saturn and METRO GROUP and other partners helping start-ups to further develop their concepts to make them even more successful.



Big helps small – and vice versa

Accelerator programmes are currently all the rage: big companies that are standing shoulder-to-shoulder with start-ups include Deutsche Telekom, Allianz, Coca-Cola and Microsoft, as both sides stand to benefit from such a cooperation. Entrepreneurs are not only given financial support that makes it easier for them to continue to work on their concepts and scale up their business models – they can also draw on larger companies’ many years of experience in the areas of budgetary planning, HR development, law and taxation, and above all on their customer and supplier networks.

Meanwhile, the big companies gain access to creative playing and experimentation fields that may introduce them to new thought processes and business models. Martin Sinner, who oversees SPACELAB for Media-Saturn, hits the nail on the head: ‘Investment in start-ups gives us guaranteed access to innovations, talent and entrepreneurship. When the rocket takes off, we’re on board.’

The four Media-Saturn SPACELAB Accelerator start-ups

 **Expertiger**
Phone-based Personal Computer service and remote online maintenance

 **Deutsche Technikberatung**
Technical assistance for the home

 **Kaputt.de**
Installation instructions and repair shop recommendations for broken smartphones

 **MyHomeServices**
All your technical devices with all relevant documents and information in one overview

Everything has changed

The Internet and digitisation, the latter of which has forced its way into all areas of life, are defying the established business models and are forcing in particular organisations with complex, evolved structures, from public administration to retailers, to rethink their strategies. The Internet is not only creating new value chains and communication channels, but also a new kind of transparency that has fundamentally changed the traditional gatekeeper models and hierarchies. There are numerous examples of this: for a number of years now, musicians, journalists and authors have no longer been reliant on record companies or publishing companies, as they publish their works directly instead – and receive equally direct feedback from the users. The ride hail service provider Uber recorded trip bookings worth eleven billion dollars in 2015 – without even owning a single vehicle and without having hired a single driver. The Chinese B2B trading platform alibaba.com has 53 million users in 240 countries without even operating its own warehouses. The emergence of WhatsApp and similar messenger services caused a significant slump in the number of conventional text messages being sent, while Airbnb is shaking up the overnight accommodation market.

These days, no company can afford to turn a blind eye to the consequences of all this disruption. So companies need to have a rethink, and modify or expand their business model. For the wholesaler METRO Cash & Carry, which has a strong customer base among hotels, restaurants and catering companies, it’s a question of no longer simply providing these customers with fresh produce. It is becoming increasingly important to build up an in-depth partnership and to also be there for the restaurateurs with regard to issues other than simply their menus.

The question is: how can hoteliers and restaurateurs use digital services to efficiently manage internal workflows such as orders, invoicing and table assignment, and save time and money in the process?

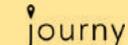
The eleven Techstars METRO Accelerator start-ups

 **Coffee Cloud**
A solution for coffee producers, roasters and distributors to optimize their business

 **Flowtify**
Quality management app for the hospitality industry to remotely monitor mandatory hygiene checks

 **Gastrozentrale**
State-of-the-art B2B online marketplace for restaurant and hotel supply products

 **GroupRaise**
Helps restaurants host large groups of customers, in exchange for donating a percentage of sales to a charitable cause

 **Journey**
Tailored to the modern traveller: personalised recommendations from chefs and experts.

 **Lunchio**
Find a restaurant, invite your colleagues, order and pay online to enjoy lunch with no waiting

 **PoshPacker**
Curated discovery and booking platform featuring stylish and affordable accommodation for today’s generation of travelers

 **Roomatic**
Helps hotels handle guest requests, improve their online reputation and tap into new sources of revenue

 **Rublys**
A gamified mobile marketing channel that enables a new way for brands to engage with Millennials

 **Wynd**
Wynd digitalizes physical stores through connected businesses

 **ZenChef**
Marketing and booking system for restaurants: manage your bookings, reviews, database and emailing all in one place

Working together, not against one another

In the future, METRO Cash & Carry intends to be the expert its customers can turn to in relation to such topics and issues, too. And the company won't provide the answers on its own, but in cooperation with start-ups. With their creative approach, start-ups have already developed solutions for some of the concerns of entrepreneurs in the hospitality sector, or are in the process of doing so.



'What we have in common with start-ups is the excitement for the new, the conviction that there's incredible potential to be found for digital solutions in the hospitality industry, and the passion for being able to help shape something.'



Olaf Koch, Chairman of the Management Board, METRO AG

Based on close cooperation with METRO Cash & Carry and the access to a broad customer base that this affords, supply and demand can be reconciled. And everyone ultimately wins: the start-up, the wholesaler and, of course, the hoteliers, restaurateurs and caterers who are able to run their businesses even more successfully thanks to the new products and services.

METRO GROUP got together with the market research company GfK to conduct its second METRO Start-up Study at the end of 2015, in order to better understand the level of digitisation among hoteliers and restaurateurs. In the study, self-employed entrepreneurs in the hospitality industry in Germany were asked about their motivation, objectives and wishes, and what they thought about digitisation. The study clearly showed that 'digital is becoming normal'. However, the catering industry is still at the outset of this development, which is already much more advanced in the retail sector.

Unclear legal framework

Whereas restaurateurs and hoteliers are usually focusing on being there for their local customers, retailers such as METRO GROUP and up-and-coming

WHY START-UPS FAIL



NO DEMAND FOR PRODUCT/SERVICE

42%



LACK OF FINANCING

29%



UNSUITABLE TEAM

23%



OVERTAKEN BY COMPETITORS

13%



POOR-QUALITY PRODUCT/SERVICE

17%



POOR MARKETING

17%

Source: CB Insights 101 Startup Failure Post-Mortems

start-ups are increasingly moving into supplying their products and services across borders. While this has become a great deal simpler in technical terms thanks to the progress made in the area of digitisation, there are still numerous legal barriers in the way of the global or at least EU-wide availability of goods and digital services. Even within the European Union, we currently still have some way to go before we can create the Digital Single Market because of all the different consumer rights, taxation and company law systems that exist. Start-ups and international retail companies alike have to get to grips with up to 28 different national systems if they wish to sell their products throughout Europe.

The European Commission has recognised this shortfall and has set its sights on improving the framework conditions as quickly as possible. It presented a 16-point plan in May 2015 setting out how it intends to strengthen the Digital Single Market in Europe and, in so doing,

make the EU more attractive for start-ups. Its primary objectives are to improve EU citizens' access to digital goods and services, establish optimum framework conditions for digital networks and services, and exploit the growth potential of the digital economy as best it possibly can. For example, the rules regarding consumer contracts, copyright and geoblocking are to be harmonised throughout Europe.

Europe-wide standards are also the aim of the reform of the EU's General Data Protection Regulation which was initiated by the European Commission in 2012. The EU institutions agreed on the new wording in a trialogue last December. The new regulation, which is set to be passed soon, represents clear progress in comparison to the standards currently in place. This cannot, however, really be considered a harmonisation of all the data protection rules, as there are various national opening clauses. As such, even with a uniform

European framework, businesses will still have to contend with different national details. This is quite challenging for major companies. And in the case of start-ups, which have to budget their financial and HR resources even more carefully, this often means they initially shy away from what are actually attractive markets elsewhere in Europe.

En route to the Digital Single Market

In addition to the current lack of harmonisation of the legal framework within the EU, start-ups are also concerned with issues of net neutrality and financing. What's the use of a good idea if your own business model is unable to compete with well-financed established players in a two-class Internet with fee-based 'fast lanes' for special services? And how are start-ups supposed to raise the financial resources needed in order to scale up their own business model or enter markets in other countries when

there continues to be a lack of workable rules for venture capital financing or models such as crowdfunding?

The politicians in Germany and the European Union need to keep on top of these issues too, so as not to keep finding themselves falling behind other countries such as the USA in the area of digital start-ups. Accelerator programmes can serve as an important leg-up for start-ups. But the most important thing for long-term economic success is reliable legal framework conditions – that's something that start-ups and established businesses such as METRO GROUP both agree on. The EU-wide harmonisation of the key legal issues, the same legal parameters for all the market participants and the planned Capital Markets Union are therefore in the interests of many stakeholders. If these do not come to fruition, both the Digital Single Market and aspirations of Silicon Valleys in Europe will be nothing more than pipe dreams.



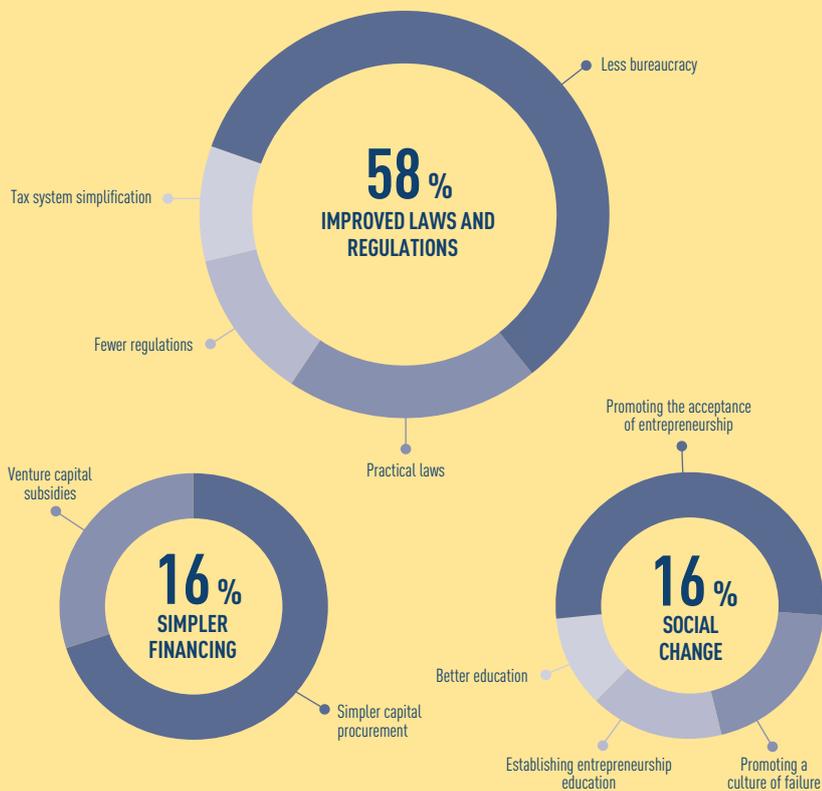
METRO INTERNATIONAL
Ukraine

The free trade agreement that came into effect between Ukraine and the EU on January 1st, 2016 is a major opportunity for Ukrainian food producers, as it affords them easier access to the European market. But considering the requirements of the Single Market and the lack of networks and knowledge about demand, exporting to the EU is also a significant challenge. As a seasoned trading company, METRO GROUP offers local producers support as they make their way into Europe.

In this context, the first METRO Cash & Carry Supplier Conference was held in Kiev in October 2015 and was attended by approximately 80 producers. METRO GROUP experts in the fields of quality assurance, offer management and global purchasing reported on the necessary food safety standards, the process of acquiring the appropriate certificates, the potential of various product groups and the steps to be taken to get produce onto European shelves. A representative of the International Finance Corporation (IFC) illustrated training programmes for suppliers in which production is based on internationally recognised standards. Ukraine's Deputy Minister of Agriculture, Volodymyr Lapa, explained the government's measures to support the local economy.

With this conference, METRO GROUP is building on a tradition of working closely with suppliers: the company offers seminars about improving food safety in a number of countries, often in cooperation with the IFC. In this way, METRO GROUP not only promotes local sourcing, but also helps boost the suppliers' ability to compete by building up their capacities. In view of the challenges faced by the local producers because of the free trade agreement, this goal is now set to be pursued even more rigorously.

WHAT ENTREPRENEURS EXPECT OF POLITICIANS



Source: KPMG/Deutscher Startup Monitor 2015, www.deutscherstartupmonitor.de
This illustration features a selection of the possible answers – multiple responses were allowed.

WEDNESDAY SOCIAL

“What unites us is stronger than what divides us”



Olivier Guersent at the Brussels Wednesday Social on December 9, 2015

At the fourth Brussels Wednesday Social, Olivier Guersent, Director General with the European Commission, discussed the topic of ‘Quo vadis EURO? – Stress test for the EU’ with the attendees.

More than 100 guests from the worlds of politics, business and society attended the Brussels event on 9 December 2015 at the invitation of METRO GROUP in cooperation with the Federation of German Food and Drink Industries (BVE) and with the support of the Network European Movement International (EMI).

MEPs and European Parliament employees, European Commission officials and company representatives discussed the outlook for the eurozone and the general future of the European project with Olivier Guersent, Director General of the Directorate-General for Financial Stability, Financial Services and Capital

Markets Union (DG FISMA). In view of the refugee crisis, the terror threat and the impact of the financial markets crisis, which is still being felt, these are issues that are more relevant than ever before.

The words of welcome at the evening event were given by Maria Heider, METRO GROUP’s Director Western Europe and EU Affairs, who stressed the importance of a stable euro to the trade sector and argued that the real economy, and also trade and METRO GROUP itself, played a ‘significant part in strengthening our currency.

This was followed by Olivier Guersent, who has been with the European Commission for 23 years and was most recently Head of Cabinet of Commissioner Michel Barnier, laying out his basic thoughts on the (financial) stability of the EU.

In his speech, Guersent suggested that a stable financial markets system in the form of a Banking and Capital Markets Union was intrinsically linked to and a prerequisite of a functioning European economy. While the EU has learned from the most recent financial market crisis, it is by no means crisis-proof, he argued, going on to say that the eurozone could not be a house that can only be lived in when the weather is good, and needs a solid roof for stormier times. ‘This roof is only now being put up,’ said Guersent.

Guersent also outlined the necessity of a European financial markets and eurozone policy for the European Union project as a whole. ‘If we lose sight of why we came together within the EU, we will only play a minor role on the world stage.’ In this context, he emphasised the following point: ‘What unites us is stronger than what divides us’.

At the end of his speech, Olivier Guersent discussed the significance of the trade sector to a stable eurozone, the Single Market, and the role of the member states in relation to the EU’s challenges with the guests.



Wednesday Social videos are available at www.youtube.com/user/videos4metro

Join the discussion online at <http://politik.metrogroup.de/mittwochsgesellschaft>

INTERVIEW

“There’s a willingness to reach a consensus”

Marion Sollbach, chair of the Advisory Board of BHIM Zentrale Wertstoffstelle Projektgesellschaft mbH, and Detlef Raphael of the Association of German Cities talk about the challenges involved in formulating a law on recyclable materials.

Germans sort all their waste, from electrical appliances and paper to organic waste, glass, packaging and household waste ... Be honest now: do we not perhaps take it all a bit too far?

Marion Sollbach: I think people in Germany are more than happy to sort their waste because they see it as an important personal contribution to protecting the environment. That said, there are other areas that are just as important for the environment in which Germans aren’t exactly role models – such as how often they use their cars or get on a plane.

Detlef Raphael: I wholeheartedly agree with Ms Sollbach. The sorting of waste plays an important part in saving resources because materials then get recycled. But I believe we also need to be more aware of how we can avoid generating waste in the first place. Avoiding waste is becoming popular again, especially among young people: in the ‘sharing economy’, people give some thought to what products they can share – and whether they really need the products at all.

Can a law on recyclable materials help to save resources in the future?

It can be helpful if it’s handled properly – and as long as it isn’t limited to just one specific segment. What we have at the moment is not, technically speaking, a draft for a law on recyclable materials – it’s more of a further development of the existing Packaging Regulation which currently fails to address a number of aspects of the system as a whole. Some of the key points in the proposals made in 2010 by the local authority

associations together with the German Association of Local Utilities (VKU), dual system waste collection companies and parts of the private waste sector were not incorporated.

With the proposed law on recyclable materials, we are essentially taking a look at the citizens’ day-to-day behaviour. This is important because many people are currently not entirely sure what should go in their yellow recycling bin. It makes little sense to them that a product made of plastic should not be placed in the yellow bin, while plastic packaging should. The purpose of the law on recyclable materials is to increase the degree to which plastics and metals are recycled correctly. On the one hand, it’s a question of giving people clear information concerning how to sort their waste. And on the other hand, it includes all those who are involved in putting products into circulation assuming responsibility for these products, by contributing financially to the collection system and by meeting recycling quotas.

Do you think the increase in the recycling quota from 36 to 72 per cent of plastic waste, as stipulated in the draft drawn up by the Federal Ministry for the Environment, is realistic?

Gauging this properly is not easy. We unfortunately currently still have a lot of packaging that’s made up of different materials, and that makes recycling them more difficult. More single-material packaging would therefore be an important step in the direction of achieving higher recycling quotas.



Marion Sollbach has been head of the Sustainability division at GALERIA Kaufhof since 2010. Prior to this, she was head of the Sustainability and Environment department at METRO AG. The qualified biologist is chair of the Environment Committee of the German Retail Federation (HDE) and has been chair of the Advisory Board of BHIM Zentrale Wertstoffstelle Projektgesellschaft mbH since November 2015



Detlef Raphael has been head of the Department for Environment and Economy, Fire Safety and Disaster Relief within the Association of German Cities since 2011. From 1998 to 2011, he was the managing board member of the Social-Democratic Association for Local Politics in the Federal Republic of Germany (Bundes-SGK).

It's quite clear to me that 72 per cent is unrealistic based on the current sorting and recycling technology. We can only achieve that figure if we invest heavily in new technology. On the other hand, who would have thought 25 years ago that we could achieve our current recycling quotas? This is one of our hopes with regard to the a law on recyclable materials: namely that the focus will be placed back on the ecological aspect. We are generally therefore also in favour of license fees being used to encourage people to bring products into circulation that can be recycled properly at a later date.

Staying on the topic of plastic, the draft of the Federal Ministry for the Environment proposes that there henceforth be information signs at points of sale to indicate whether drinks packaging is reusable or disposable. What are your thoughts on this motion?

Speaking from my own perspective as a consumer, on the one hand it's obvious to me that there are advantages to reusable packaging in terms of its recyclability. But some types of reusable packaging, such as crates of water or beer bottles made of glass, are not always practical in every situation. Having a hip condition myself, I tend to go for plastic bottles, simply because they're lighter to carry. I have my doubts about whether semi-informative information signs would have much impact on people's consumer behaviour. It would be better if we were to give more thought in general to packaging design, to reconcile the consumers' interests and the environmental benefits.

All disposable drinks packaging is already marked as such directly on the product – that's a legal requirement. But if a consumer doesn't register that, they're not going to pay much attention to signs put up at the point of sale either. I think this idea would involve a lot of work for the retail sector and I am doubtful about the benefits. After all, reusable packaging isn't necessarily more ecological. You also have to take into account the volume in circulation and the transport distances, especially



ASSOCIATION OF GERMAN CITIES

The Association of German Cities sees itself as the mouthpiece of cities and as the local authority association of autonomous cities and the majority of cities affiliated to a county in Germany, representing them in dealings with the national and regional governments, the European Union, governmental and non-governmental institutions and associations. The Association of German Cities comprises approximately 3,200 cities and municipalities affiliated to its 16 membership associations. There are also 203 cities which are direct members, including 107 autonomous cities and the city states Berlin, Hamburg and Bremen.

since standardised bottles for beer and water were abandoned. If I drink a Bavarian beer in Hamburg, the bottle has to be taken back to Bavaria in order to be reused. And that's a big waste of resources too. As such, the proposed duty of information at the point of sale is not based on ecological concerns. The retail sector is therefore calling for this passage in the draft law to be deleted and is supporting the drinks industry's voluntary initiative.

What are your main criticisms of the current draft law on recyclable materials?

From the perspective of the local authorities, we need things to be managed better in order to achieve optimum recyclables collection together with the local and private waste management companies that are awarded contracts. We have therefore been pursuing the goal of promoting the notion of being responsible for recyclables collection for years, by means of appropriate management measures and sanctions. It's unfortunate when citizens call their local authority to complain that their

yellow bin or bag for recyclables hasn't been collected and we have to then deal with these problems via the contracted dual system waste collection company. We're not against a private waste management industry – but it should be part of the local authorities' remit and their responsibility to select and oversee the right waste collection companies by means of public invitations to tender.

Among other things, the aim of the central recyclables body is to establish fair competition among the stakeholders. We have, of course, seen some massive upheavals in recent years which were not in our interest. When it comes to the responsibility of the local authorities to collect recyclables, we share the opinion that there is still room for improvement. But we view the local authorities being wholly responsible for collection critically. There are, for example, plenty of local authorities with waste incineration plants that don't operate at full capacity. If these authorities want to exploit the residual capacity of their incinerators by incinerating the recyclable materials that they are responsible for, there are absolutely no legal means by which these recyclable materials can be taken off them.

Objection! In North Rhine-Westphalia, we have more of the opposite problem – many of our incinerators are overstretched. And wherever there is no local authority waste management company – this being the case in around two thirds of the regions subject to disposal regulations – we want to guarantee reliable waste management provided by private companies by means of a public-law tender procedure. We already proposed last summer that the Federal Ministry for the Environment get everyone around the table. But this idea was unfortunately blown out of the water by parts of the private sector – I would explicitly like to exclude the retail sector from this category. There are unfortunately many different interests within this system and there are numerous players who are interested in merely maintaining the status quo.



CENTRAL RECYCLABLES BODY

BHIM Zentrale Wertstoffstelle Projektgesellschaft mbH handles the preparatory work for a central body as proposed in the draft law on recyclable materials. Its job is to register the manufacturers of comparable non-packaging and packaging and to calculate the shares of the market held by the dual system companies. Standards and checks imposed by the central body will aim to boost competition and iron out the current system's weaknesses. The project company was founded by the Federation of German Food and Drink Industries (BVE), the German Retail Federation (HDE), the German Association for Plastics Packagings and Films (IK) and the German Brands Association. Further down the line, the company is to become a neutral, government-funded foundation.

That means there's plenty of scope for conflict. What happens if the law on recyclable materials fails to get adopted?

Then we're left with the Packaging Regulation – with or without an amendment.

For us, it's hugely important to say that we still consider the Packaging Regulation to be a success story in terms of its basics. Here in Germany, we have one of the highest recycling quotas in Europe. The draft law on recyclable materials points in the right direction, with a central body complemented by uniform monitoring throughout the country. If the law on recyclable materials fails to be adopted as it is, we will push for a packaging law that contains key elements of the draft, such as a central body and higher recycling quotas.

As far as a central body is concerned, we're pretty much on the same page. But the main difference between us is this: the proposal on the table doesn't change anything for the local authorities; in fact, implementation of this draft would actually make the legal position

of the local authorities worse. The problem is that there is still no public tender procedure, which means the quality of recyclables collection cannot be guaranteed.

The draft includes an advisory board for recyclables collection and sorting. We have drawn up a concept for this and will bring all the stakeholders together at a 'product responsibility round table' to discuss to what extent the local authorities should be afforded the right to control their own local systems. There's some disagreement on this topic, because there are some very different approaches at the local authority level: in Ludwigsburg, 'round' and 'flat' recyclables are sorted separately, Bavaria has its own recycling depots, and so on. A lack of uniformity doesn't exactly help to increase collection and recycling quotas.

Do you think the law on recyclable materials will be adopted in this legislative period?

I think it's important that it is. We need to send out a clear signal to the business world that the system is being developed further. I fear that, were the legislation to be delayed any further, everyone involved would gradually lose interest. I will therefore do everything within my means to see us get it adopted in this legislative period.

My discussions with the private sector and the dual system companies also indicate that there is mostly a willingness to reach a consensus. But the danger is that the politicians will base their actions too much on the stakeholders who continue to stonewall the plans.

So you basically both agree: things now need to speed up in order to achieve a common goal, rather than everyone insisting on their individual interests?

Exactly.

We need to work together to try to overcome the stonewalling of a handful of stakeholders, because we need an innovative law on recyclable materials that's manageable at the local authority level.

Thank you very much for your time.



What's the meaning of ...?

Hypermarket

Opinions vary as to which nation – the Americans, the Belgians or the French – invented the hypermarket. The term is easily explained – a hypermarket is a very large store selling not only food, but also a wide variety of non-food items.

To reflect what was an unusually large size when they were first introduced, these stores were called 'hypermarché' in France and 'hypermarket' in the USA. In Germany, they are called a 'Hypermarkt', which is based on the French and English terms, or alternatively an 'SB-Warenhaus', which translates as 'self-service store'.

A hypermarket characteristically measures more than 5,000 square metres and sells a comprehensive range of approximately 30,000 to 60,000 different items. Hypermarkets focus on self-service across most of their floor space, complemented by service counters for fresh produce. Hypermarkets tend to be located on the outskirts of a city, but can sometimes also be found in large inner-city shopping centres.

METRO GROUP operates approximately 300 hypermarkets via its Real sales line. These are popular with customers not only because of their location and the ease of parking that such locations afford, but also thanks to their extensive product ranges, including everything customers need from day to day, be it food, electrical appliances or clothes.

As such, far from being an empty advertising promise, the Real slogan 'One store, you won't need more!' perfectly encapsulates the hypermarket shopping experience.

INSIGHTS

Speedier shopping

Self-service checkouts accelerate the paying process. But how do they actually work and what is people's practical experience of them?

In Scandinavia, the Netherlands, the UK and the USA self-service checkouts in supermarkets, where customers scan their items themselves and then pay for them, are a common sight. They are currently less common in Germany, but the retail sector here is already experimenting with them – such as the furniture company IKEA, which, based on the varying sizes of its customers' shopping baskets, recognised the need for 'faster' checkouts for customers buying only a handful of items. Real was a pioneer in the use of self-service checkouts in the German



food retail sector. Following initial tests in METRO GROUP's Extra Future Store, Real introduced self-service checkouts as an additional service back in 2003 to accommodate the customers' wishes for a quicker checkout process. There are now self-service checkouts at just under a third of the Real stores throughout Germany.

of items or with shoppers who are in a hurry, such as office workers who pop in during their lunch break or tradesmen on their way to an appointment with a customer, as it allows them to reduce their waiting times.

And customers do not have to manage all on their own at a self-service checkout – there is a salesperson at every self-service checkout zone to answer people's questions or to manually approve products subject to age restrictions, such as alcohol, tobacco or DVDs with an age rating.

OPEN TO CHANGE

In a study conducted by the EHI Retail Institute in 2015, customers who had previously not used a self-service till showed that they were generally interested in this service – subject to certain conditions:

37% don't feel confident using the checkouts: it's important to them that a staff member is at hand to help them out if need be.

34% want a simple explanation of the scanning and paying process.

15% would prefer there not to be noticeable light signals and alarms when they have scanned something incorrectly.

22% want sufficient space in which to put their items down.

15% want the checkouts to have an appealing design.

Source: EHI white paper, 'Self-Checkout Systems from the Customer's Perspective'

How it works

With the scan-and-bag principle, there are no longer the conventional conveyor belts. The customer takes their shopping trolley straight to a self-service till, scans their items and places them in a shopping bag. As the items go in, the bag is weighed and the weight is compared with the product weights recorded in a database, to prevent mistakes and shoplifting attempts from occurring. Having scanned their last item, the customer confirms that they have completed the scanning process by pressing a button and then pays – either in cash or with a debit or credit card.

Added value for the customer

There are usually four self-scanner checkouts grouped together as a self-service unit in the stores, replacing one traditional till. This therefore increases the number of available tills and makes the checkout process more relaxing for the customers and the checkout staff alike at peak times. These checkouts are especially popular with customers with a small basketful

Fans, sceptics and pragmatists

Studies show that there are not just fans of the self-service till – there are sceptics out there too, because a lot of customers enjoy the personal contact with the checkout staff when paying – or, if they have a full shopping trolley, they benefit from the speed at which the seasoned sales staff work. Some customers take an entirely pragmatic approach and make a spontaneous decision as to which type of till they prefer to use.

The introduction of self-service checkouts is all about giving the customers this choice. They are an added service for the customers: they can choose between a traditional till operated by a salesperson or a self-service till, depending on their personal shopping situation and preference. A key factor determining whether customers really see these checkouts as an added service is the checkouts' user friendliness. Retailers and suppliers of self-service checkouts are therefore continuously working on making the scanning process more convenient for the customers with new generations of checkouts.



... with Dr Gerd Müller

Federal Minister for Economic Cooperation and Development

Mr Müller, is there a typical meal from your home region of Swabia that you especially like?

Allgäu cheese spätzle.

You are an advocate of healthy eating. How can this topic be made to be more appealing to young people?

Children need role models and they learn quickly, so it should all start at home and at school. It's a question of communicating knowledge about healthy eating and making it enjoyable to eat healthily. Every school in Germany should create a school garden so that children understand how and where produce grows. Nutrition and cooking should be school subjects.

The International Green Week exhibition has just been held in January. What, in your opinion, is the most urgent step that needs to be taken to move closer to achieving the goal of a world without hunger?

Hunger is the biggest scandal on the planet, because we can conquer hunger. Our planet can feed up to ten billion

people – this has been confirmed to us by experts. It's simply a question of how we grow and harvest crops and how we then process the harvest. We are therefore focusing on precisely this issue in our dealings with many of our partner countries. We have already set up our first green centres in Africa and India, and there is huge demand for expertise and technology from Germany.

Again and again, you have denounced the waste of global resources. What can you and your ministry do to tackle this?

When we have guests at the ministry, they are served sustainably farmed tea and coffee, and water not in plastic bottles, and state visitors are presented with sustainably produced gifts – there are many ways in which we can move towards greater sustainability. And in concrete terms, we obviously also apply this to our development programmes. We have a solar partnership with India, we are promoting renewable energies in Africa, and in the area of tropical rainforest conservation we are focusing on

reforestation programmes and on bringing an end to the deforestation of the 'lungs' of the planet.

You have been an honorary professor of international agricultural policy at the Dresden University of Applied Sciences since 2009. How do you get students to act more sustainably?

Students these days are very familiar with all the aspects of sustainability. I have just launched a study programme in this area in Ulm. An increasing number of start-ups founded at universities are proving to be business successes. Germany has a great deal of expertise and know-how to offer in this area and also job profiles that nobody had heard of a couple of years ago. This motivates young people at university.

Part of acting more sustainably is being a more sustainable consumer. This is something which is advocated by the Partnership for Sustainable Textiles initiated by you. What's your preliminary take on how it's going?

More than half of the German textile and retail industries are now members of the partnership. That's a huge success. It's motivating to see how everyone is pulling together with a desire to establish fair standards in the places where our clothes are made. Everyone shares the conviction that we wear responsibility next to our skin and we now need to shape this responsibility.

National initiatives on their own have little impact when it comes to global issues. What is the federal government doing to promote the internationalisation of such initiatives?

This was an item on the agenda at the G7 Summit in Elmau, with major statesmen from around the world having an hour-long discussion about fair standards in our globalised world. I had already organised two implementation conferences at the G7 level together with the Minister of Labour, and many of our European colleagues asked us how we managed to achieve the textiles partnership.

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