
REAL PREPARES FOR A NEW APPROACH TO A COLLECTIVE AGREEMENT

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Düsseldorf, 27 March 2018 – Following the still unsuccessful collective bargaining negotiations with trade union Verdi about a new dedicated pay structure for real, METRO AG today decided to prepare alternative collective bargaining solutions within the employers association AHD.

In the summer months of 2016, real and Verdi entered into a future collective agreement that was supposed to alleviate the significant disadvantages real is exposed to with regard to the company's personnel expenses. After two years of negotiations, neither a reformed industry-wide collective agreement nor a company-specific collective agreement appear to be a realistic possibility. "Despite the agreements and commitments made in the future collective agreement, the two years of negotiations with Verdi did not yield any result. We have always emphasised that, despite the very good progress made in the strategic revitalisation of the operational business, competitive cost structures are crucial for the future development of our company. Due to the obvious blockade situation, we have decided to create the framework conditions for a new approach to collective agreements", Olaf Koch, Chairman of the Management Board of METRO AG, explains.

real has always pointed out the importance of competitive personnel expenses for continuing the successful development the company has taken over the past years. "We are disillusioned and disappointed to see that Verdi does not intend to honour the agreement made with regard to the future collective agreement, which was approved by the vast majority of real employees", says the Co-CEO of real, Patrick Müller-Sarmiento.

The efforts to reform the industry-wide collective agreement between the Association of German Retailers (HDE) and Verdi have been without any appreciable progress since real transitioned to the non-collective agreement. "We do not expect for any short-term changes to happen to the industry-wide collective agreements that would improve the competitive situation for real. It appears that some member companies simply have no interest in the matter", opines Heiko Hutmacher, Chief Human Resources Officer of METRO AG.

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real wants a collective agreement, now and in the future

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The company has therefore started to prepare the prerequisites for a collective agreement outside of the HDE structures and intends to utilise its membership in the employers association AHD for that purpose. This step is made possible by certain realigning measures within the group, which will allow for the negotiation of more modern and more flexible collective agreements.

The AHD - the Business Association for Work Conditions in Retail and Service Companies - is an open association registered in Cologne. The association was founded in Saarbrücken on 2 December 1987 by group companies belonging to former ASKO AG and has been negotiating collective agreements for a range of METRO companies with different trade unions.

Independent of these deliberations, the real Management Board emphasises that it remains committed to avoiding any cuts to the existing workforce's monthly salaries:

"We have a very clear understanding of what constitutes a fair and sustainable pay structure. Our existing employees know that there will be no cuts to their monthly salaries. We remain committed to salary continuity", reiterates Henning Gieseke, Co-CEO of real.

METRO is a leading international specialist in wholesale and food retail. The company operates in 35 countries and employs more than 150,000 people worldwide. In financial year 2016/17, METRO generated sales of approximately €37 billion. The company provides custom solutions to meet the regional and international needs of its wholesale and retail customers. With its sales brands METRO/MAKRO Cash & Carry and Real as well as delivery services and digitisation initiatives, METRO sets the standards for tomorrow: for customer focus, digital solutions and sustainable business models. More information is available at metroag.de.

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