

**CORPORATE RESPONSIBILITY
PROGRESS REPORT 2016/17**



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OUR UNDERSTANDING OF SUSTAINABILITY

We believe that society is facing unprecedented economic, environmental, social and cultural challenges. But we are also convinced that sustainability is the key to transforming these challenges into opportunities. We see these as both a responsibility and an opportunity to shape our business in harmony with society's requirements and those of our customers, employees, investors and partners. In this Corporate Responsibility Progress Report 2016/17 we report about our key performance indicators and target progress, as well as our progress report on the United Nations Global Compact Principles. In the publication Corporate Responsibility 2016/17 Compact we additionally use examples to illustrate how sustainability is embedded in our day-to-day business activities.

KEY PERFORMANCE INDICATORS

The chapter “key performance indicators” provides information about METRO’s sustainability performance in the form of key performance indicators (KPIs). It is divided into figures showing the company’s economic performance, staff-related KPIs, key indicators regarding the “sustainable operations” area of responsibility, which covers the responsible use of resources, key indicators for the “sustainable procurement” area of responsibility, KPIs on sustainable consumption and social engagement.

REPORTING PERIOD

The reporting year is the same as the METRO financial year, that is from 1 October to 30 September. Key performance indicators are reported for the previous 3 financial years.

Reporting of the climate protection target also includes the target’s reference year, 2011. The figure for the reference year relates to the period from 1 January to 31 December 2011. A different reporting period is used in this case because METRO changed its financial year from the calendar year to the 12 months from October to September in 2013.

APPROACH TO DATA COLLECTION AND REPORTING

The key performance indicators reported are based on data that is gathered using various internal reporting systems. As a rule, this data is systematically recorded for each sales line and each country every quarter, in some cases every month. The KPIs are based on data collected for METRO as a whole, that is for all of the stores, back offices and warehouses and for the head office in Düsseldorf. It is necessary to extrapolate and estimate consumption data for some KPIs in cases where the primary data available is incomplete. This applies to the KPIs on sustainable operations.

The greenhouse gas emissions relating to purchased goods and services, assets and leased assets which are reported in accordance with Scope 3 are modelled because recording primary data for these is highly complex. The modelling is based on the KPIs regarding METRO’s economic value added and an economic input-output model that draws on the economic flows of goods and services.

The selling space figures used as a basis for the KPIs are averages for the year.

As a general rule, the KPIs include the data for all locations and their respective employees. The KPIs we report for work-related accidents and continuing professional development do not currently cover all employees. We do not have the relevant data for all sales lines and organisational units in proper quality. We report work-related accidents for the German METRO companies. The KPIs for continuing professional development include all companies except for a few service companies. We show sales in the area of sustainable consumption exclusively for our German sales lines Real and METRO Cash & Carry Germany.

All of the sustainability KPIs have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft.

DEVIATIONS FROM PREVIOUS REPORTS

With the Progress Report 2016/17, METRO presents a report on its achievements in the area of sustainability for the first time. There are therefore no deviations from previous reports.

COMPANY

Economic value (value added) SDG8

in € million	2014/15	2015/16	2016/17
Key performance indicator			
Revenue from sales	37,496	36,549	37,140
Interest yields	55	65	44
Rent yields	386	343	326
Cost of sales	-30,421	-29,560	-30,124
Selling expenses	-6,350	-6,171	-6,084
Administration costs	-992	-1,058	-1,014
Write-downs	760	710	762
Personnel expenses	4,253	4,233	4,016
Dividend payments	-14	-15	-32
Interest expenditure	-309	-276	-200
Income taxes	-201	-375	-304
Investments (total capex)	1,155	1,007	827
Divestments (disposal of fixed assets, disposal of financial assets and disposal of subsidiaries with effect on cash flow)	709	1419	804
Net dept	3,815	3,051	3,142
EBITDA	1,606	1,918	1,611
EBITDA (before special items)	1,771	1,791	1,810
EBIT	860	1,219	852
EBIT (before special items)	1,081	1,106	1,106
Pre-tax profits	466	894	649
Net profit for the period	265	519	345
Net profit for the period attributable to shareholders of METRO AG	254	506	325
Net profit for the period attributable to non-controlling shareholders	11	13	20
Earnings per share in €	0.70	1.39	0.89
Sum of cash flows	1,912	-1,828	-12

Evaluation in relevant sustainability indices and rankings¹

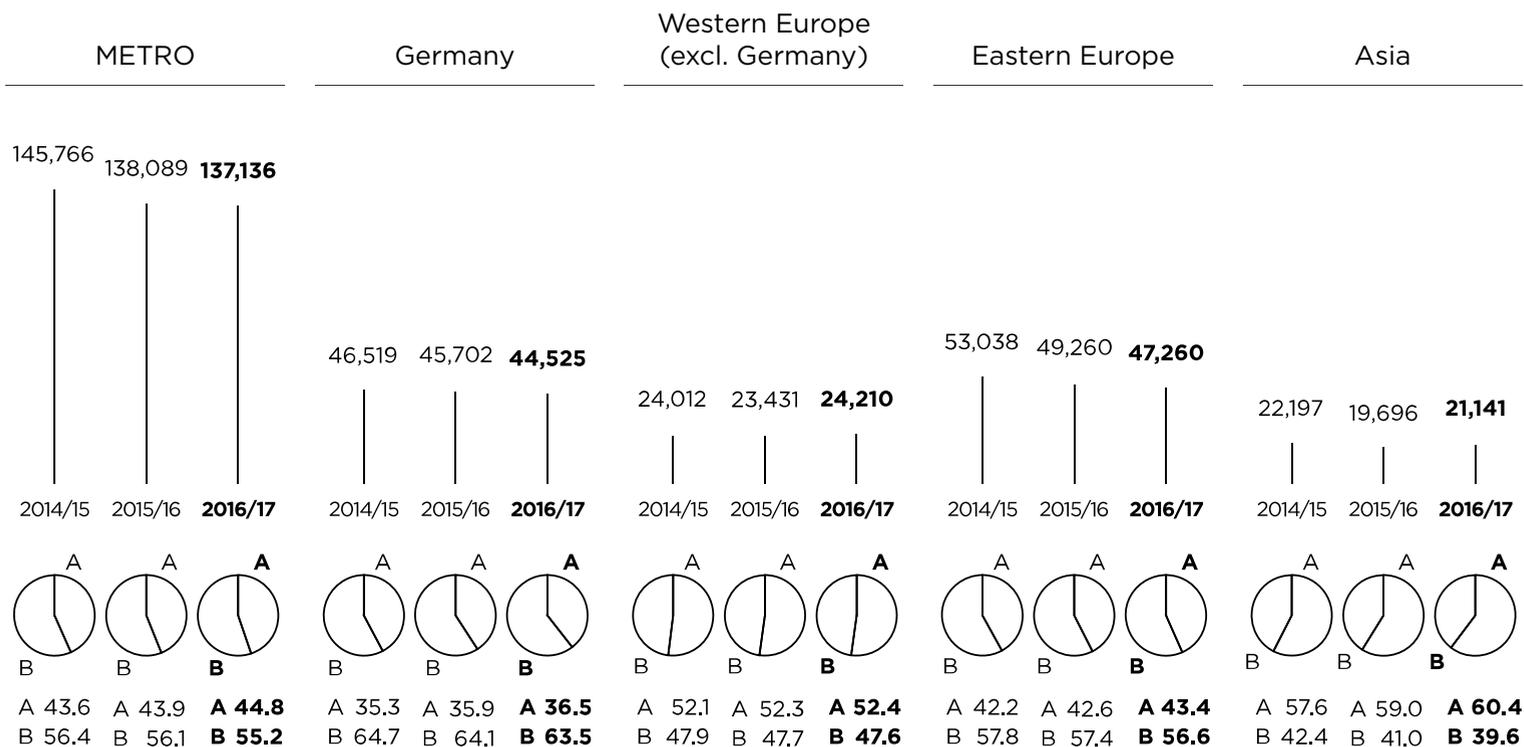
Index/ranking	Rating/score	Scale	Publication date
Dow Jones Sustainability Index (DJSI) World/ Europe	80 Industry Group Leader Food & Staples Retailing	0 to 100	09/2017
Oekom Corporate Rating	C+ Prime Status	D- to A+	09/2017
CDP Climate Scoring	A-	F to A	10/2017
CDP Water Scoring	A-	F to A	10/2017

¹ For all ratings but Oekom rating the evaluation took place between July-September 2017.

Explanation: As part of our stakeholder dialogue, we inform the capital market about our sustainability management activities. This means our sustainability performance is rated by independent third parties.

EMPLOYEES

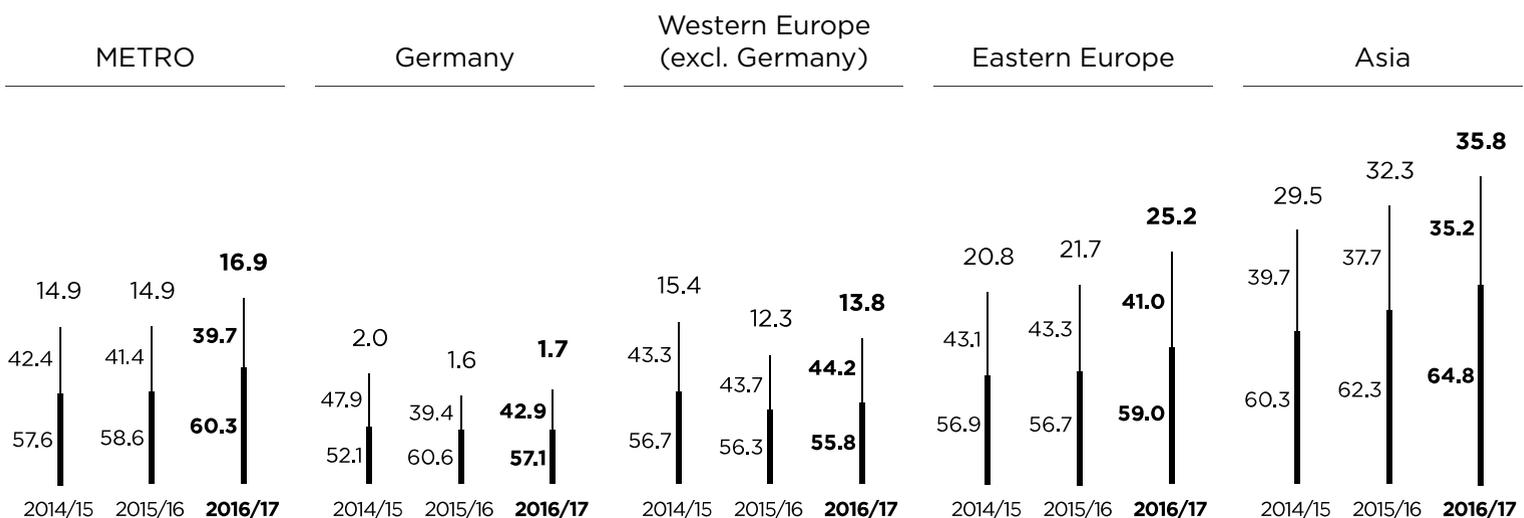
Number of employees



A Proportion of men in % **B** Proportion of women in %

Definition: Full-time equivalent employees, average for the year, excluding trainees.

New employees by gender (in %)

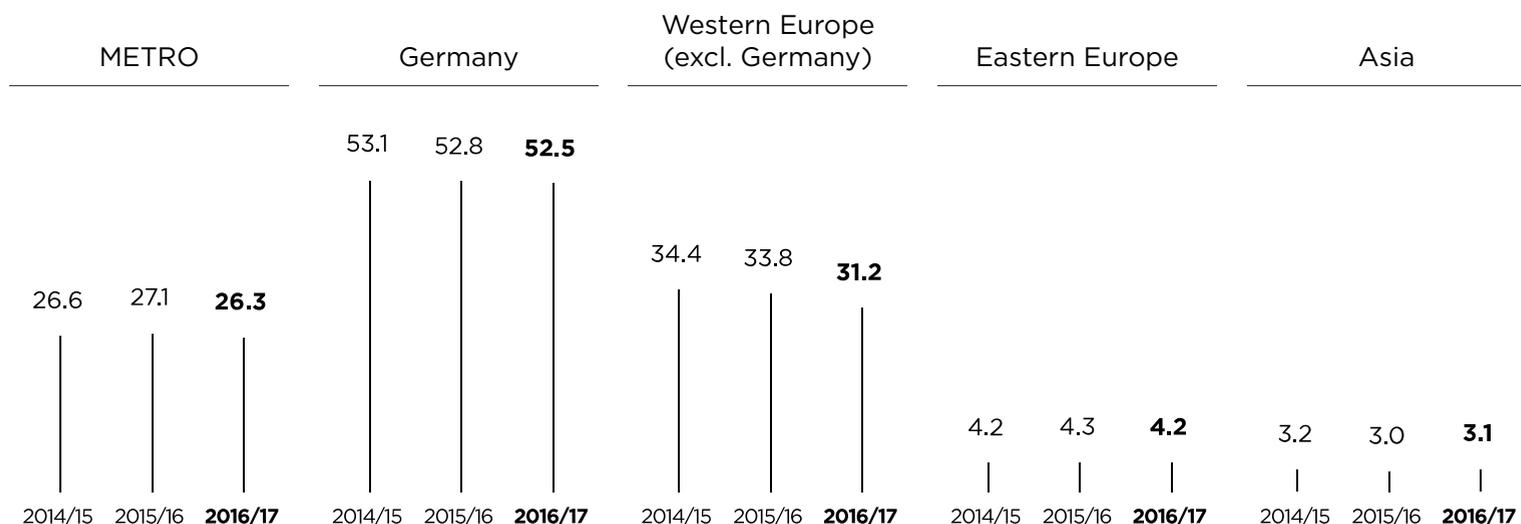


Proportion of new employees in relation to the average number of employees

— Proportion of men — Proportion of women

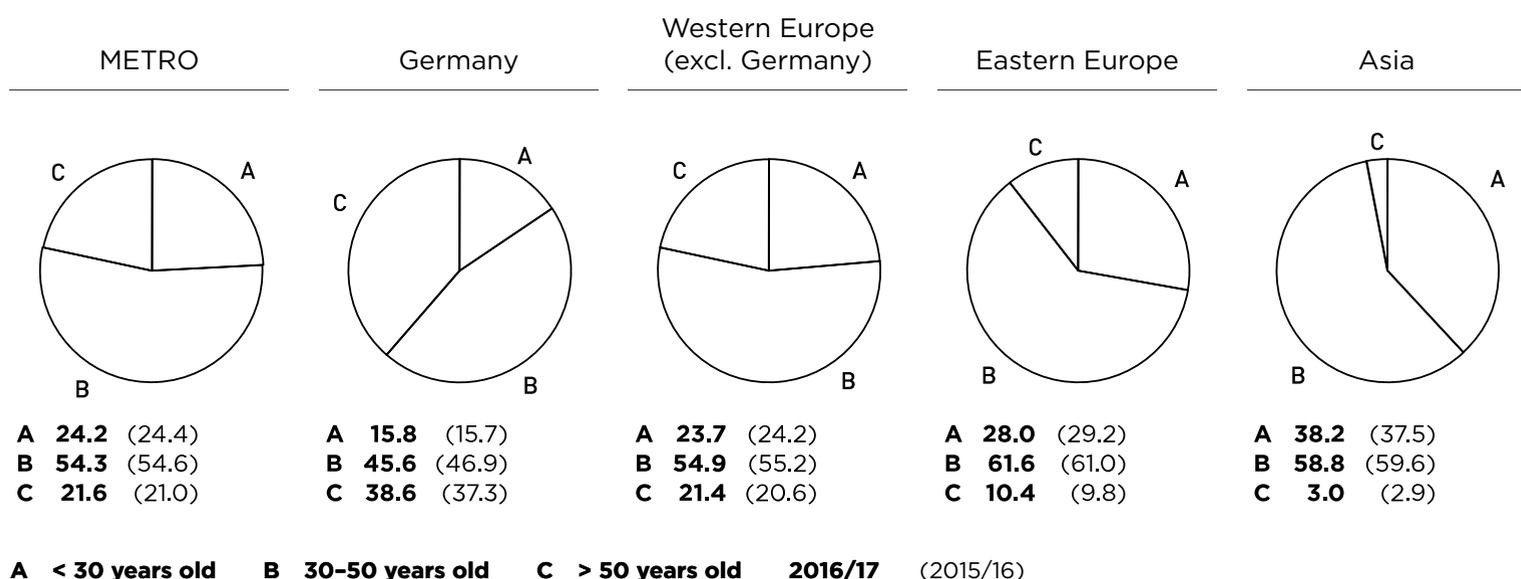
Definition: The figure for new employees includes all newly recruited staff and returning workers. The KPI shows the number of workers joining the company in relation to the average number of employees. All employees on permanent contracts are included.

Part-time rate (in %)



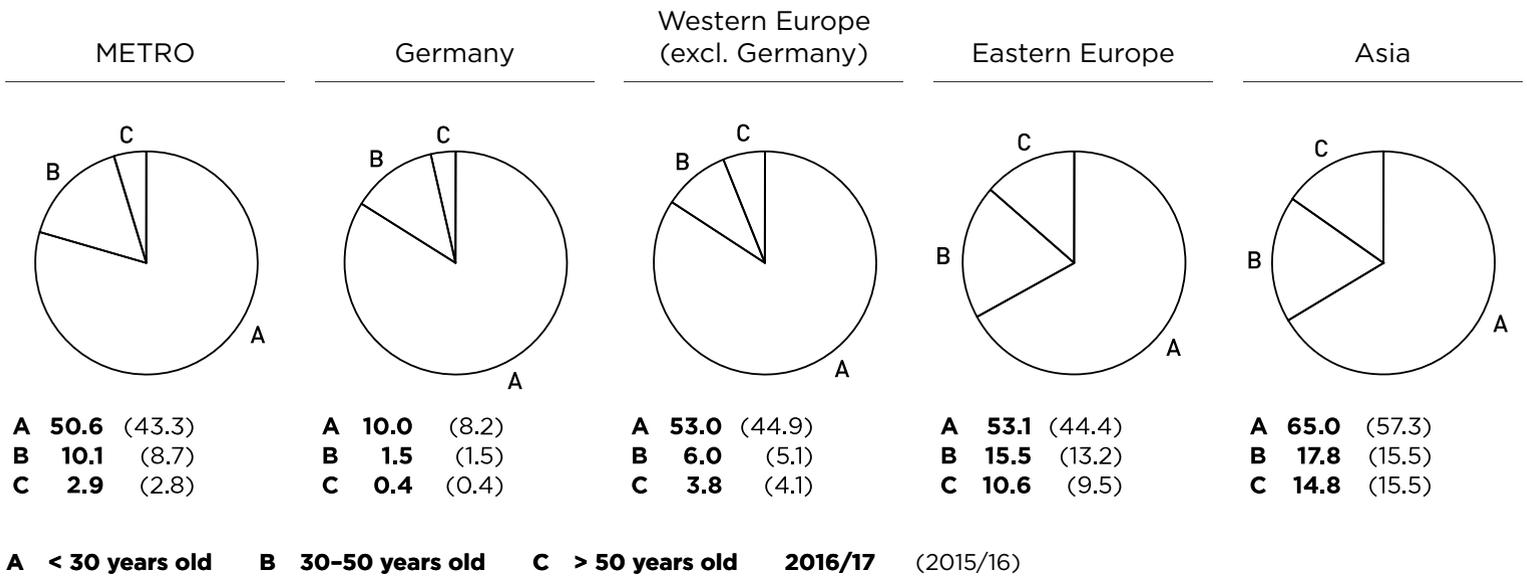
Definition: Share of part-time employees, average for the year, excluding trainees.

Employees by age group (in %)



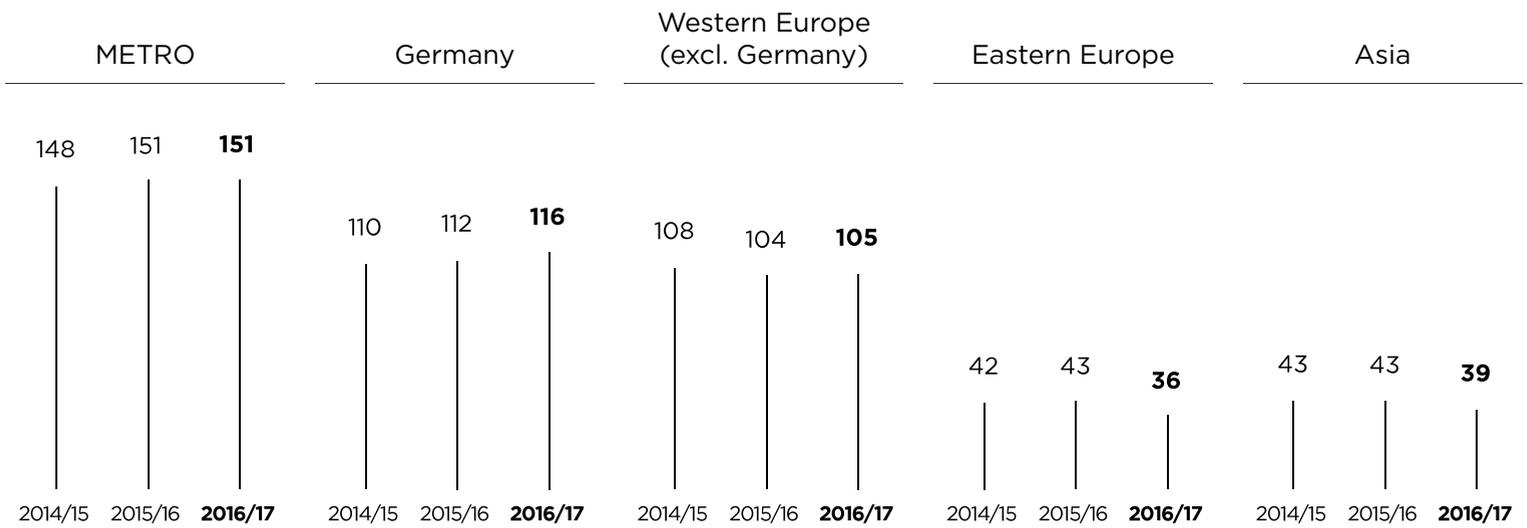
Definition: Breakdown of employees by age group, average for the year, including trainees.

New employees by age group (in %)



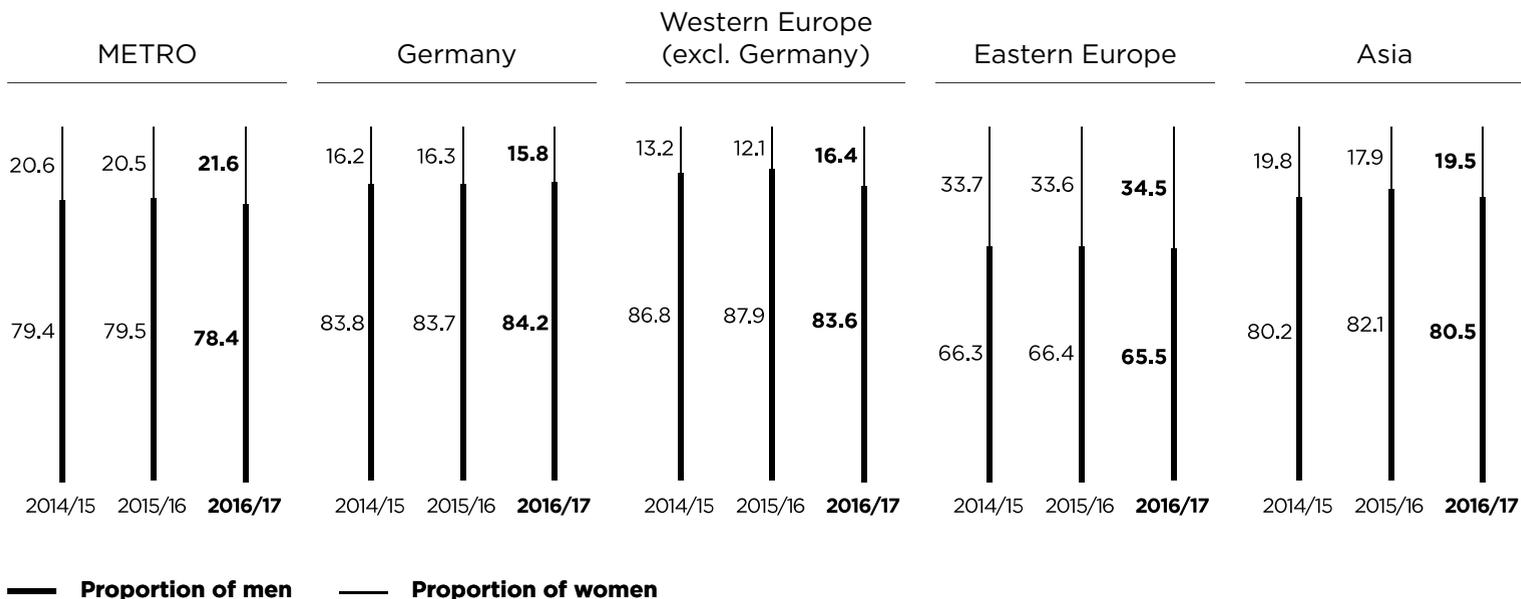
Definition: Breakdown of new employees by age group, average for the year. This does not include trainees, interns, BA students and staff on temporary contracts.

Number of nationalities



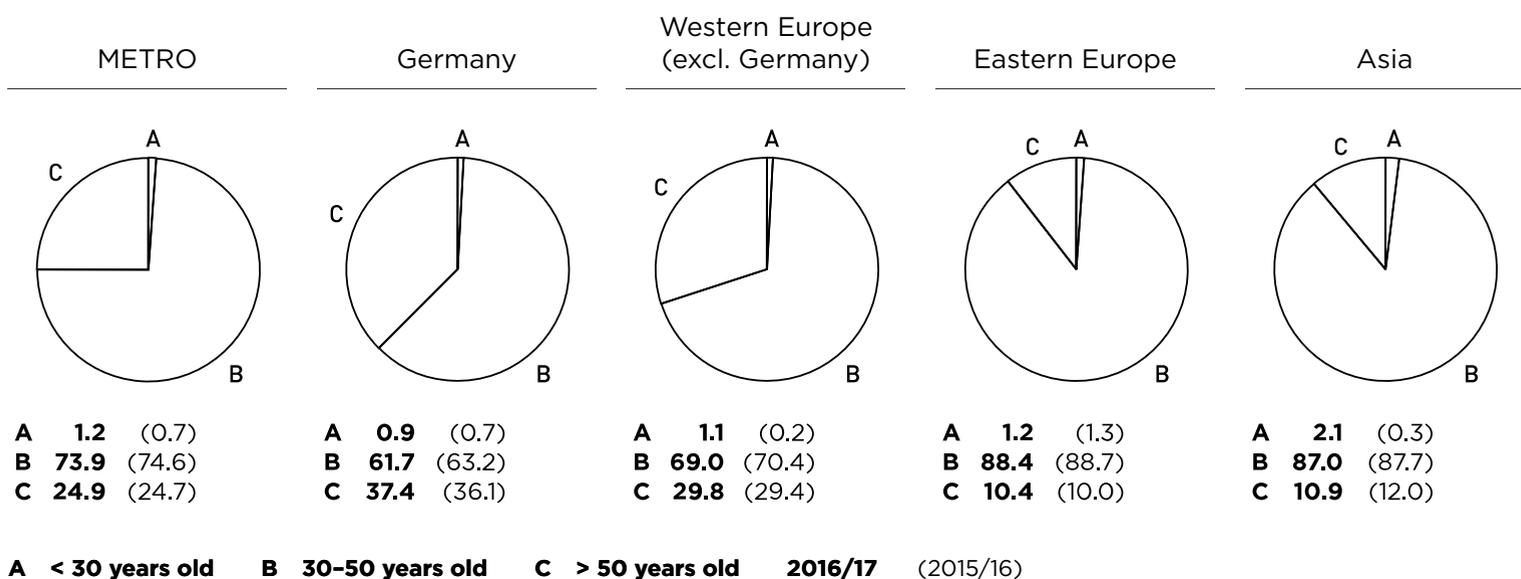
Definition: Number of different nationalities among our employees, excluding trainees, as of 30 September.

Gender breakdown in managerial positions (in %) SDG5



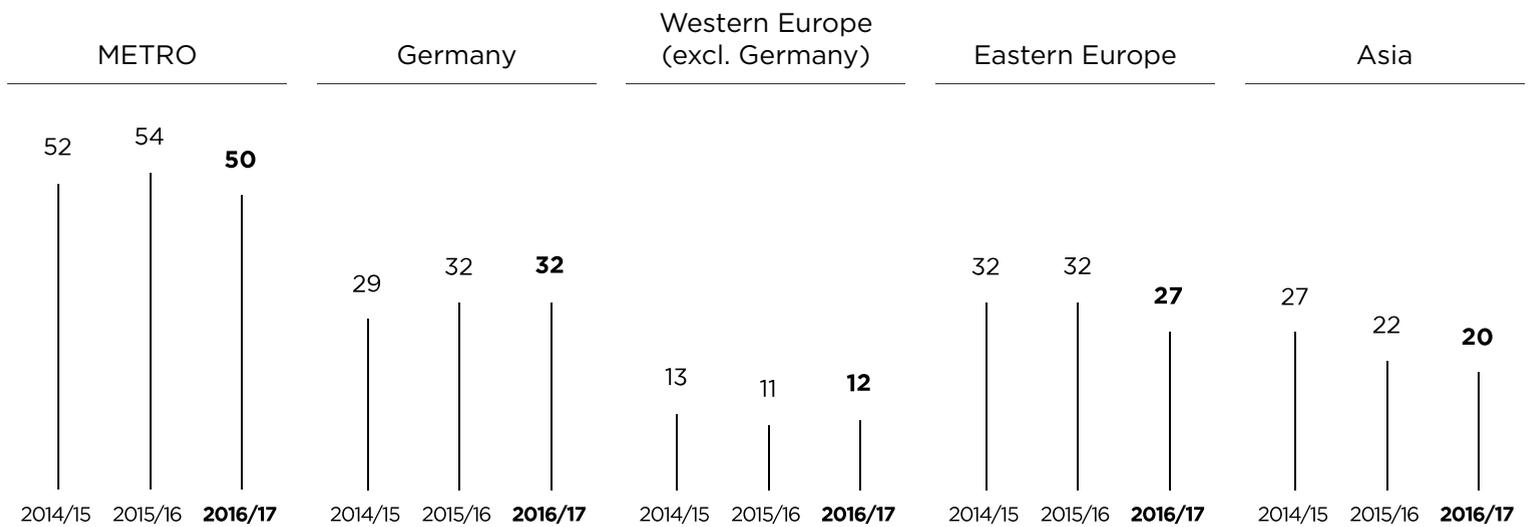
Definition: Managerial positions are those in levels 1-3 (Management Board, General Management, divisional management, departmental management and store management). The percentage of male and female employees in these positions is calculated (per capita as of 30 September).

Managers by age group (in %)



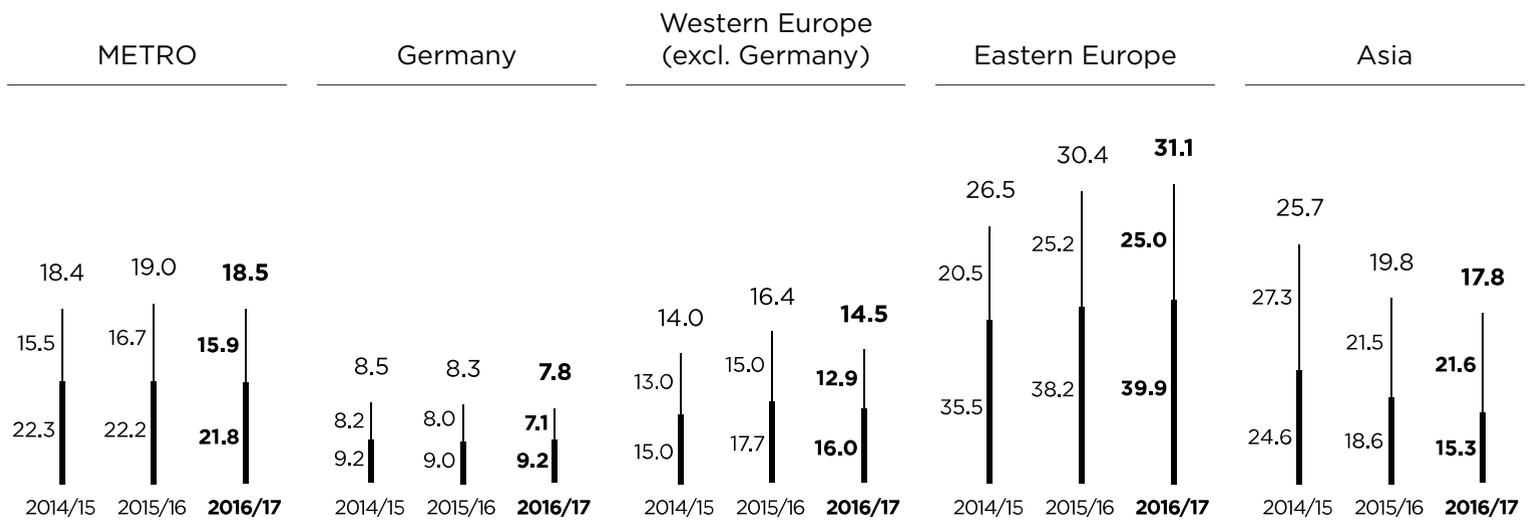
Definition: Breakdown of managers by age group as of 30 September.

Number of nationalities among managers



Definition: Number of different nationalities among our managers as of 30 September.

Staff turnover by gender (in %)

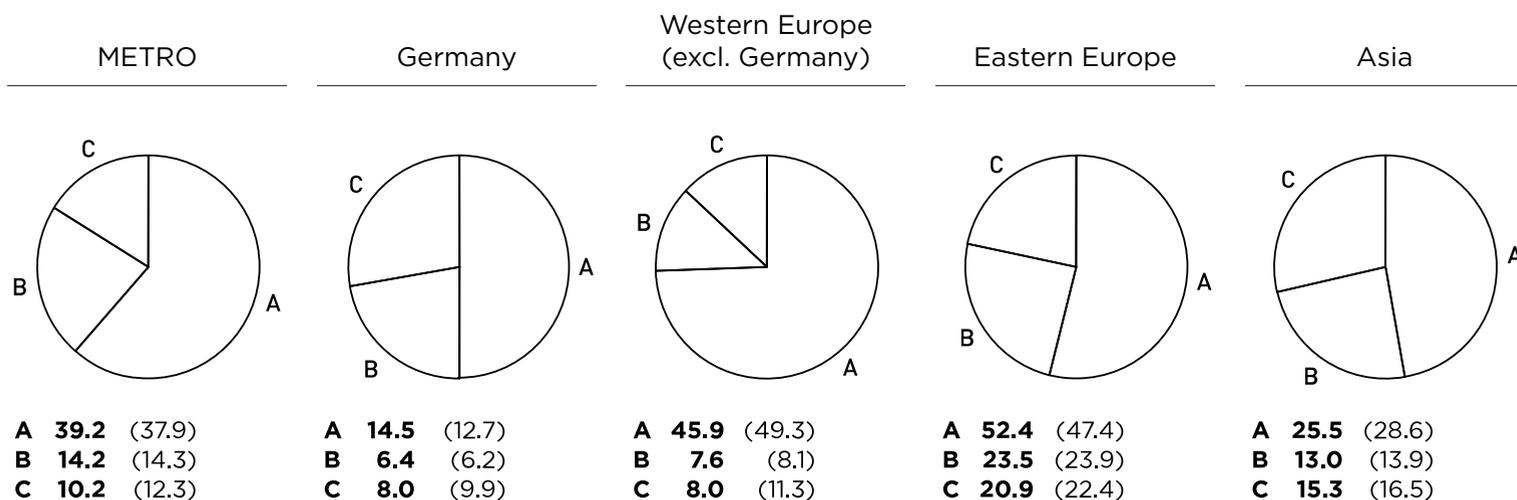


Staff turnover total **Staff turnover of men** **Staff turnover of women**

Definition: Staff turnover is defined as all employees leaving, that is those who retire, die or hand in their notice. The staff turnover rate is the number of workers leaving in relation to the average number of employees. All employees on permanent contracts are included.

Explanation: The staff turnover rate is high at METRO. This is primarily attributable to the fact that the staff turnover is generally high in several Asian and Eastern European countries where METRO operates.

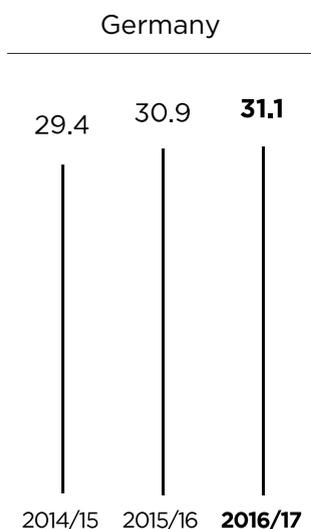
Staff turnover by age group (in %)



A < 30 years old B 30-50 years old C > 50 years old 2016/17 (2015/16)

Definition: Employees leaving due to retirement, death or resignation/dismissal, broken down by age and region. The staff turnover rate is the number of workers leaving in relation to the average number of employees. All employees on permanent contracts are included.

Work-related accidents (per 1,000 employees) SDG3

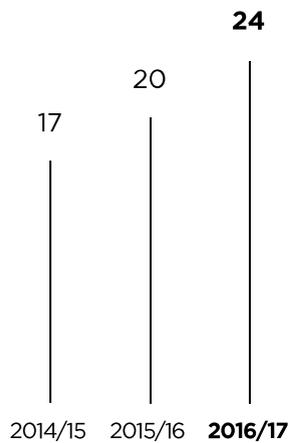


Definition: Number of reportable work-related accidents per 1,000 employees as compared to the number of full-time equivalent employees, average for the year. Accidents on the way to or from work are not included.

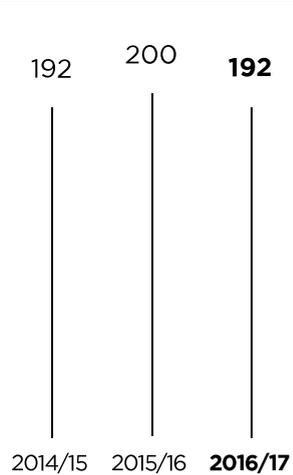
Explanation: In order to identify areas with high accident rates or especially vulnerable groups of people, evaluate causes of accidents and define targeted countermeasures, the companies METRO Großhandelsgesellschaft mbH, real,- SB-Warenhaus GmbH, METRO AG, METRO Services GmbH, METRO LOGISTICS Germany GmbH, METRO SYSTEMS GmbH and METRO PROPERTIES GmbH & Co. KG have implemented appropriate reporting which covers 97% of the German METRO companies in the reporting period. Here, work-related accidents are reported only for the German METRO companies. The rate of accidents reported is 1,341 per 1,000 employees (2015/16: 1,401).

Continuing professional development SDG4

Average number of hours of CPD per employee per year



Average CPD expenditure per employee per year in €

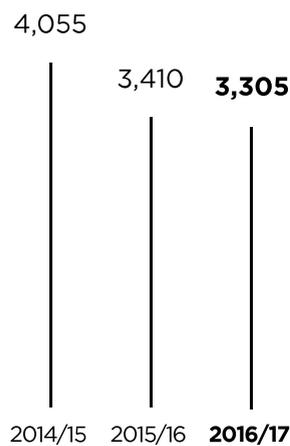


Definition: Training (hygiene, occupational safety, etc.) and courses focusing on ongoing operations plus medium- and long-term CPD opportunities that are offered with a view to enhancing the course of business.

Explanation: We currently publish indicators on continuing professional development covering more than 90% of our workforce.

Training

Number of trainees, interns and students in the METRO companies



SUSTAINABLE OPERATIONS

Carbon footprint SDG13

GREENHOUSE GAS EMISSIONS IN T CO₂ (CO₂ EQUIVALENTS)

	Reference year 2011	2014/15	2015/16	2016/17
Scope 1 - direct greenhouse gas emissions	820,434	801,742	721,141	712,267
Scope 2 - indirect greenhouse gas emissions	1,428,641	1,158,349	1,134,100	1,098,569
Scope 3 - other indirect greenhouse gas emissions	4,035,476	4,030,540	3,653,477	3,818,874
Total greenhouse gas emissions	6,284,551	5,990,632	5,508,718	5,629,710

Definition: Level of all main emissions by Scope in line with the methodology of the Greenhouse Gas Protocol.

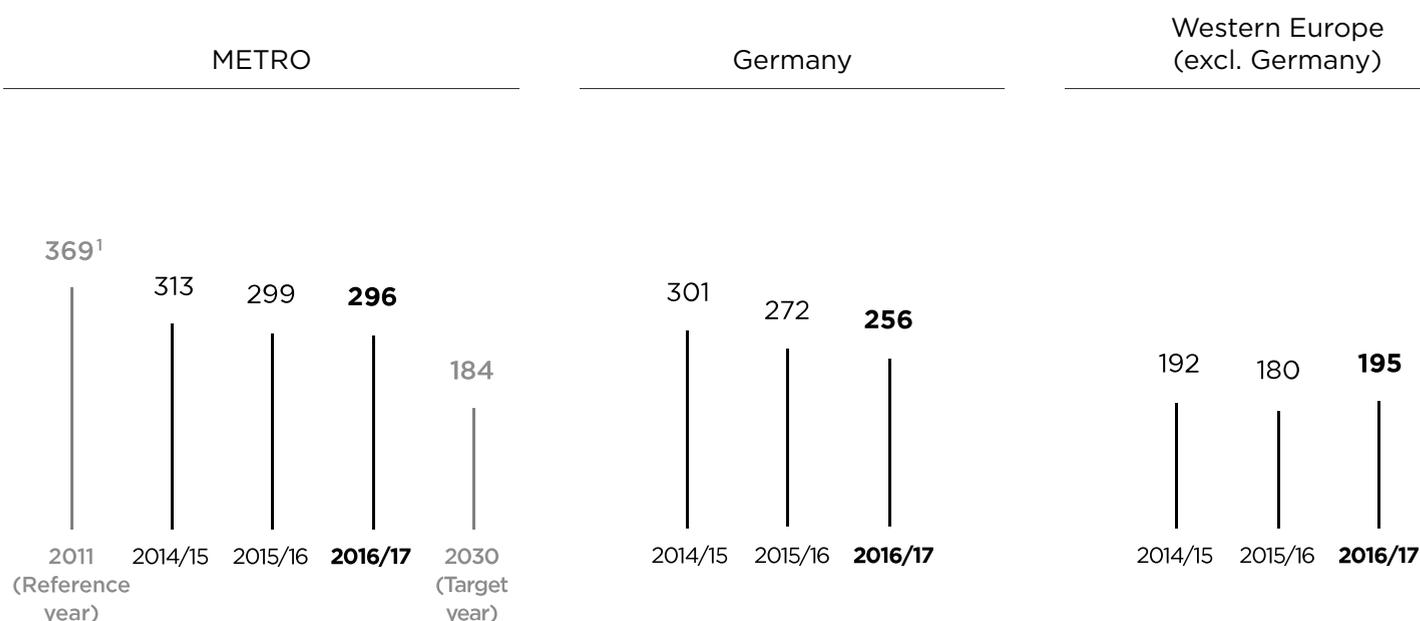
The following sources of emissions are included:

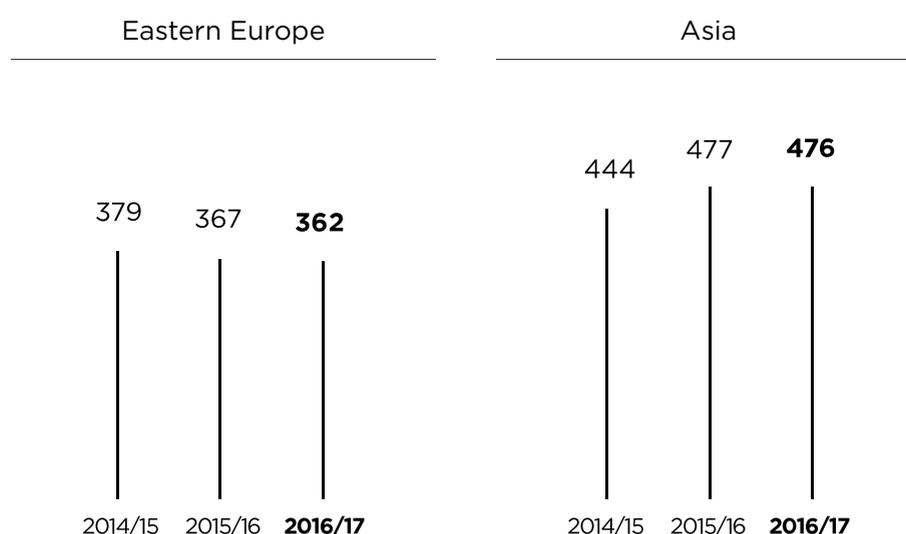
- Scope 1 = fuel oil, natural gas, liquefied natural gas (LNG), liquefied petroleum gas (LPG), refrigerant losses from commercial cooling, refrigerant losses from air-conditioning, fuel consumption of company cars and the group's own logistics fleet, emergency power generators
- Scope 2 = electricity consumption, district heating and cooling
- Scope 3 = all external logistics, in-house paper consumption for advertising and office purposes, business trips, goods and services purchased for own use, capital assets, upstream chain emissions and grid losses for all direct and indirect energy sources, waste, staff commutes, leased assets

Explanation about the Carbon Footprint, especially about methodology, reporting boundaries and climate protection target are available at www.metroag.de/responsibility/business-operations.

Status of climate protection target

GREENHOUSE GAS EMISSIONS IN KG CO₂ (CO₂ EQUIVALENTS) PER M² SELLING SPACE





1 Deviation from figure reported in the Annual Report due to new findings

Definition: Greenhouse gas emissions from the stores, back offices and warehouses of the sales lines and for the head office in Düsseldorf (by selling space) included within the climate protection target. Included are the emissions from electricity, heating and cooling energy consumption, also counting upstream chains and grid losses, refrigerant emissions from commercial cooling and air-conditioning, fuel consumption by company cars, in-house paper consumption for advertising material and office purposes as well as business trips.

Explanation: We aim to reduce our specific greenhouse gas emissions by 50% between 2011 and 2030. In concrete terms, this means that we want to cut our emissions per m² of selling space from 369 to 184 kg of CO₂ equivalents per annum.

Between October 2016 and September 2017, METRO generated 296 kg of CO₂ equivalents per m² of selling space. The significant decline in emissions compared with the reference year 2011 can essentially be attributed to:

- Measures to reduce consumption relating to energy, company cars, paper and business travel, and to reduce emissions caused by refrigerant loss
- General technical and scientific developments as reflected by the adjustment of the emission factors used to calculate CO₂ equivalents. For example, the share of renewable energies in the electricity mix of many countries has increased.

Trends in the emission sources included in the climate protection target

GREENHOUSE GAS EMISSIONS IN KG OF CO₂ (CO₂ EQUIVALENTS) PER M² OF SELLING SPACE

	Reference year 2011	2016/17	Change in %
Electricity consumption	224.5	168.5	-24.9
Thermal energy consumption	32.2	38.7	20.0
Company cars	8.8	8.3	-5.8
Refrigerant losses	79.0	61.7	-21.9
Paper consumption	21.3	17.0	-20.1
Business travel	3.0	1.8	-41.3
Total	368.9	296.0	-19.8

Definition: Trends in CO₂ emissions per m² from all the emission sources included in the climate protection target compared to the reference year 2011.

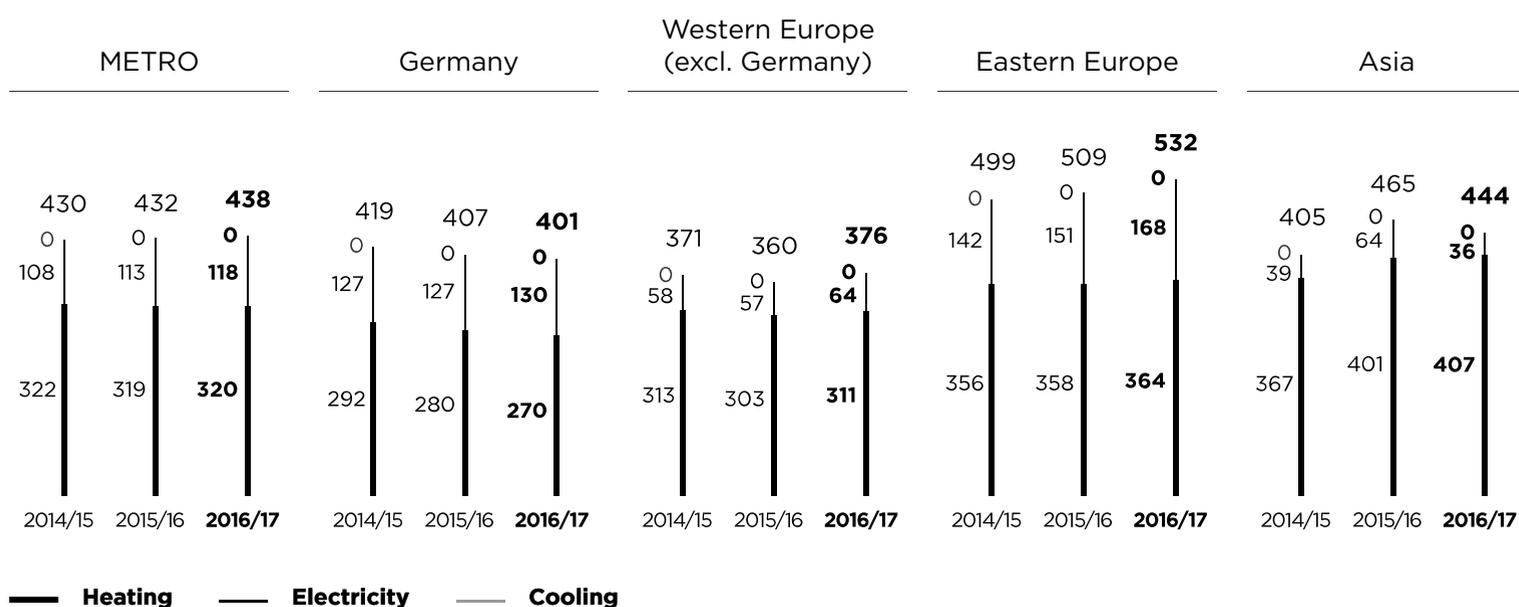
Energy consumption

TOTAL ENERGY CONSUMPTION (IN MWH)

in MWh	2014/15	2015/16	2016/17
Fuel (heating oil, gas, petrol, diesel, LPG, LNG)	1,012,569	1,031,080	1,078,845
Electricity	2,388,915	2,351,470	2,317,870
District heating/cooling	93,404	103,821	96,438
Steam	0	0	0
Total energy consumption	3,494,887	3,486,371	3,493,153

Definition: Energy consumption for operating the locations and for transportation broken down into the different types of energy used. Fuel includes fuel oil, combustion fuel, natural gas and liquefied natural gas.

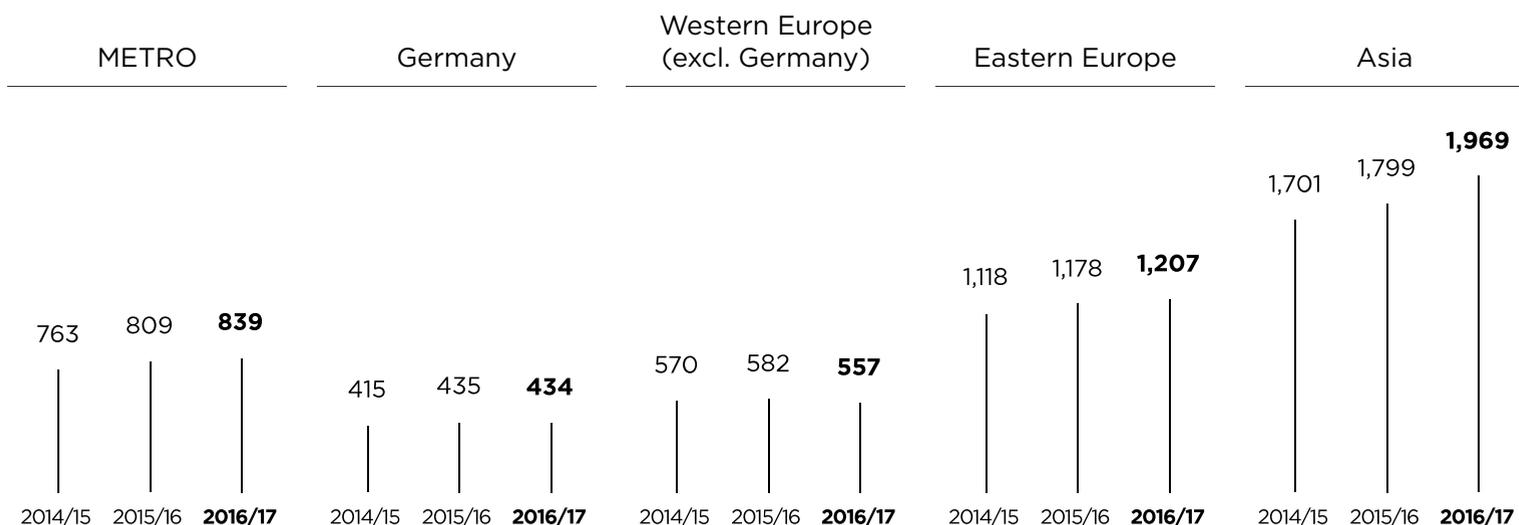
ELECTRICITY, HEATING AND COOLING ENERGY CONSUMPTION (IN KWH PER M² OF SELLING SPACE)



Definition: Locations' energy consumption in relation to selling space. Energy consumption consists of electricity consumption and heating and cooling energy consumption (fuel oil, natural gas, liquefied natural gas [LNG], liquefied petroleum gas [LPG], emergency power generators and district heating/cooling).

Water

WATER WITHDRAWAL AND WASTEWATER GENERATED (IN L PER M² OF SELLING SPACE) SDG6



Definition: Water withdrawal by the locations in relation to selling space.

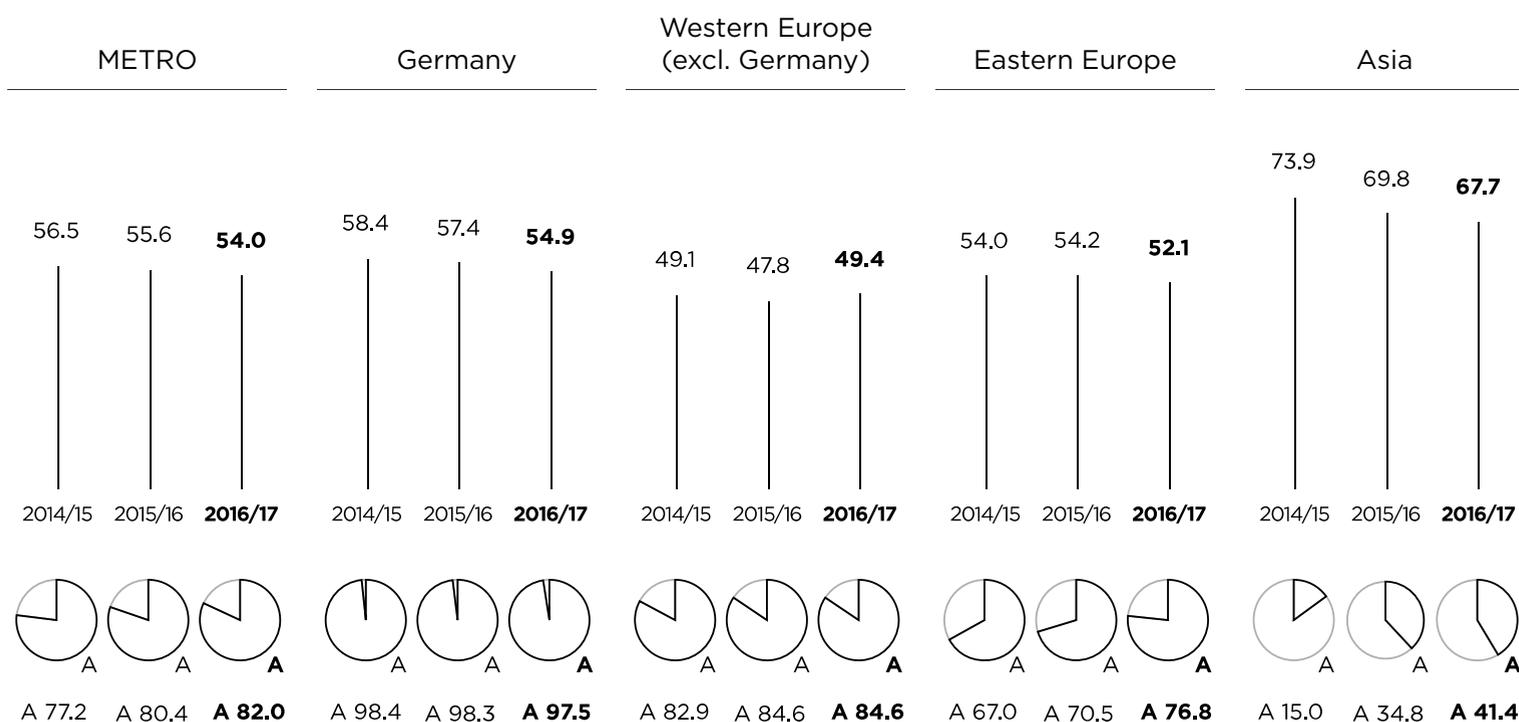
Explanation: In absolute terms, METRO drew 6.0 million m³ of fresh water in the reporting period. Water is primarily used for cleaning and sanitary facilities. In addition to this, water may be used for storing, transporting and selling food, for example for keeping live fish or making ice to chill fresh fish.

At the group level, we measure and monitor the amount of water which the company draws from the public drinking water supply. The public drinking water supply is the only source from which we draw significant amounts of water.

As our locations do not consume a significant amount of water, we assume that the volume of wastewater is the same as the amount of fresh water. All wastewater is fed into public sewers. We do not monitor the quality of the wastewater ourselves as this is not relevant given the usage described above.

Waste

AMOUNT OF WASTE AND RECYCLING RATE (IN KG PER M² OF SELLING SPACE AND IN %)



Definition: Waste generated in relation to selling space. The amount of waste is made up of waste for disposal, for recycling or heat recovery, and hazardous and organic waste. The recycling rate is the amount of waste for recycling and heat recovery plus organic waste as compared to the overall quantity of waste.

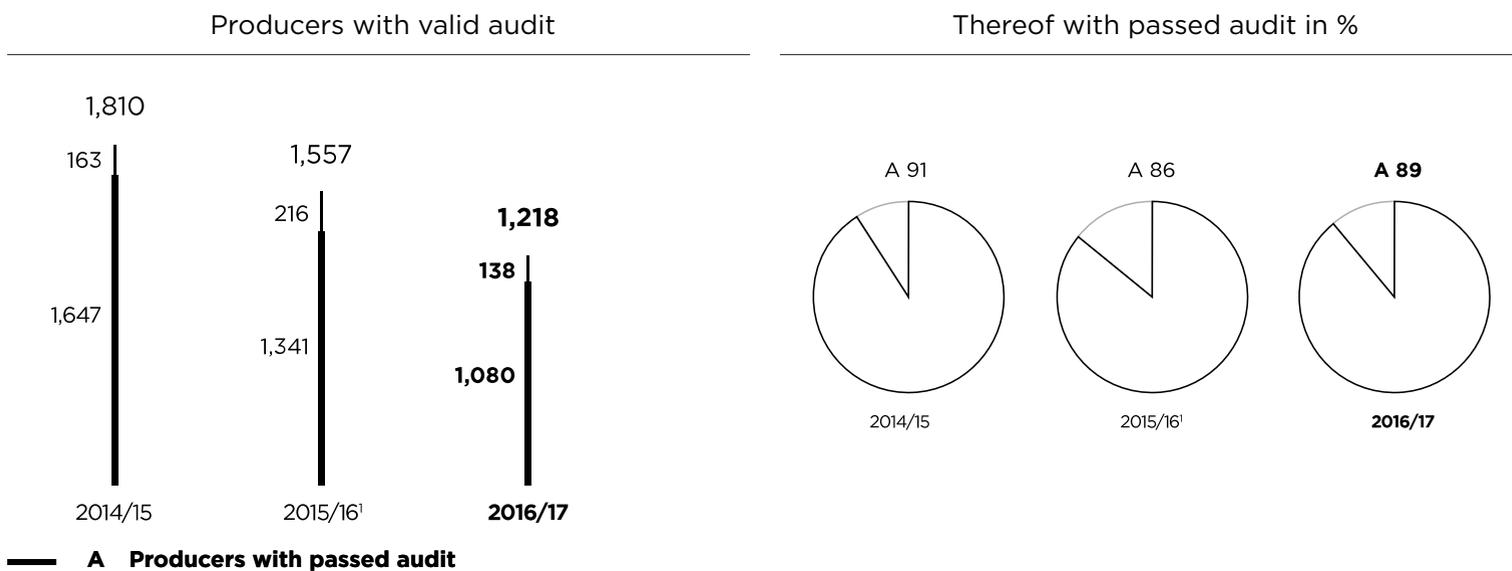
Explanation: The volume of waste in absolute terms amounts to 392,792 t. This can be broken down as follows:

- Waste for disposal (70,080 t)
- Waste for recycling or heat recovery (250,071 t)
- Organic waste (63,259 t)
- Hazardous waste (9,383 t)

When we calculate the recycling rate, we do not take hazardous waste into account because we cannot systematically record the way in which it is treated (recycled or disposed of) in all of the countries in which we operate. However, based on information from several countries, most of the hazardous waste is also recycled. In reality, the recycling rate is therefore higher.

SUSTAINABLE PROCUREMENT AND ASSORTMENT

Social audits relating to own imports by METRO Sourcing and non-food own brand products of the METRO sales lines SDG10



¹ From 2015, adjustment of BSCI rating system from three rating categories (good/improvements needed/non-compliant) to five rating categories (A/B/C/D/E). The result “improvements needed” was understood as a passed audit. Under the new measurement system, a portion of the previous “improvements needed” results was assigned to the categories “C” (passed audit) and “D” (failed audit). This adjustment resulted in a lower share of producers with a passed audit in the financial year 2015/16.

Definition: Status of all the producers in defined risk countries in which METRO Sourcing has import goods manufactured based on the assessment of the Business Social Compliance Initiative (BSCI), and of producers that manufacture own brands or own imports in the areas of clothing, shoes, toys and consumer durables for the METRO sales lines. Producers that have passed the audit can demonstrate their successful compliance with the BSCI standard or an equivalent social standard system by presenting a certificate awarded by an independent third party.

Explanation: Producers that do not pass the audit must demonstrate improvement through a follow-up audit within 12 months. Since 1 January 2017, METRO Cash & Carry and Real are imposing more stringent requirements on suppliers: new suppliers are accepted only if they can show at least one passing audit result. For current suppliers, a transition period of 2 years applies.

The key performance indicator relates to all the factories of which we are made aware by our suppliers.

SUSTAINABLE CONSUMPTION

We include more sustainable products in our range so as to promote responsible consumption.

Sales of products certified as organic in line with EU regulations

in Germany, in € million	2014/15	2015/16	2016/17
METRO Cash & Carry and Real	107	130	139

Sales of regional products

in Germany, in € million	2014/15	2015/16	2016/17
Real	302	367	442

1 At Real, regionality refers to products that were produced within 100 km of the store that sells them.

Sales of fair-trade products (Fairtrade or GEPA label)

in Germany, in € million	2014/15	2015/16	2016/17
METRO Cash & Carry and Real	9	12	16

Number of sustainably fished or farmed products (MSC, ASC, organic) SDG14

in Germany, no. of products	2014/15 ¹	2015/16	2016/17
Own-brand products, Real and METRO Cash & Carry	108	133	113
Brand-name products, Real and METRO Cash & Carry	773	968	951

1 ASC and organic products not recorded

Sales of sustainably fished or farmed products (MSC, ASC, organic) SDG14

in Germany, in € million	2014/15 ¹	2015/16	2016/17
METRO Cash & Carry and Real	80	86	93

1 ASC and organic products not recorded

Sales of products from sustainable forestry (FSC® or PEFC label) SDG15

in Germany, in € million	2014/15	2015/16	2016/17
METRO Cash & Carry und Real	15	13	39

SOCIAL ENGAGEMENT

Community investment SDG17

in € thousand	2015/16	2016/17
Charitable donations	783	1,121
Community investments	2,809	2,345
Commercial initiatives	2,299	2,021
Total	5,891	5,487

GOALS

EMBEDDING SUSTAINABILITY WITHIN THE COMPANY

Goals	Status of goal attainment	Measures	Status of measures
<p>METRO is systematically making sustainability an integral part of its daily operations.</p>	<p> Work in progress</p>	<p>Continuous implementation of the sustainability related initiatives within our business processes (ongoing): METRO's sustainability measures include specific guidelines, the group also considers sustainability aspects in its decision-making processes. As an example, we invest between €20 and 25 million each year in energy-saving measures. The monetary value of CO₂ emissions is an important part of the decision-making process for investment applications.</p> <p>Sharpen employees' understanding of sustainable behaviour.</p> <p>Driving sustainability campaigns.</p> <ul style="list-style-type: none"> — METRO prepares and distributes internal and external communications relating to the wider topic of METRO and sustainability throughout the year. A good example is the UN World Water Day celebrated by our company on 22 March 2017 at its head office in Düsseldorf and 20 METRO countries around the globe. In the future, METRO will shine the spotlight on this and other important international sustainability days, throughout our administrative offices and sales outlets. — Our company also conducts sustainability workshops within our business units and the national subsidiaries in particular. — METRO also frequently hosts sustainability events, such as a Sustainability Week in our head office and Sustainability Days in 16 METRO Cash & Carry national subsidiaries. — Sustainability also plays an important part in our annual employee survey METRO Voice. The survey is conducted among employees at 25 METRO Cash & Carry national subsidiaries, 10 service companies and METRO AG. The survey results for the reporting year indicate that 82% of surveyed employees state their employer is an environmentally conscious company that accepts social responsibility. <p>Integration of the notion of sustainability into existing training programmes (partially completed).</p> <ul style="list-style-type: none"> — We have conducted the METRO Sustainable Leadership Program for the third consecutive time with the aim of reinforcing our executives' awareness for sustainability. — Sustainability aspects are also firmly embedded in our new executive development programme called Lead & Win. 	<p> Measure ongoing</p> <p> Measure ongoing</p> <p> Measure ongoing</p>

SUSTAINABLE OPERATIONS

Goals	Status of goal attainment	Measures	Status of measures
<p>METRO will reduce its greenhouse gas emissions by 50%, from 369 kg of CO₂e/m² in 2011 to 184 kg of CO₂e/m² by 2030.</p>	<p> Work in progress</p>	<p>Energy-saving programme: Investments in renewable energies and to increase energy efficiency.</p> <p>Energy awareness programme: Increasing awareness for responsible use of energy.</p> <p>F-Gas exit programme: Investments to reduce the emissions of refrigeration equipment.</p>	<p> Measure ongoing</p>
<p>METRO has committed itself to the "Resolution on Food Waste" by the Consumer Goods Forum and thereby to reducing the volume of food products discarded in our own business operations by 50% until the year 2025 (reference value: 2016).</p>	<p> Work in progress</p>	<p>Establishment of a working group dedicated to the issue of waste as part of Operations Federation.</p> <p>Evaluation of the implementation of "Food Loss and Waste Protocol" in a selected pilot country.</p>	<p> Measure ongoing</p>

SUSTAINABLE PROCUREMENT AND ASSORTMENT

Goals	Status of goal attainment	Measures	Status of measures
<p>METRO committed itself to a company-wide mandatory guideline for sustainable fish purchasing.</p> <p>In 2016, METRO Cash & Carry set itself the target to purchase 80% of the 12 most popular fish and seafood products from sustainable sources by 2020.</p>	 Work in progress	<p>Positioning of METRO and active exchange with experts on the issue: METRO is actively involved in numerous external committees and partnerships, such as the Global Sustainable Seafood Initiative (GSSI), the North Atlantic Seafood Forum (NASF), the World Economic Forum (WEF) and the Marine Stewardship Council (MSC) for sustainable fisheries.</p> <p>Another example is the Tuna 2020 Traceability Declaration, which METRO joined as a signatory in July 2017.</p> <p>METRO Cash & Carry further conducts sustainability workshops in the METRO Cash & Carry national subsidiaries. Their objective is to develop a specific implementation plan for each country.</p>	 Measure ongoing
<p>METRO committed itself to a group-wide mandatory guideline for the sustainable purchasing of products containing palm oil.</p> <p>METRO Cash & Carry set itself the target to purchase 100% of its own brand products containing palm oil from sustainable sources by the year 2020.</p>	 Work in progress	<p>Sustainability workshops conducted in the METRO Cash & Carry national subsidiaries: Their objective is to develop a specific implementation plan for each country. Croatia, Poland and Italy have already switched pure palm oil to sustainability-certified palm oil.</p>	 Measure ongoing
<p>Real has been purchasing 100% of its own brand range of food products containing palm oil from sustainable sources since the year 2015.</p> <p>During the reporting period, Real set itself a new goal: 100% of the palm oil used for its own brand food products must be certified with regard to "Segregation and Identity Preservation" criteria by the year 2025.</p>	 Work in progress	<p>Comprehensive annual supplier review: The objective is to ascertain the availability and use of palm oil or palm kernel oil that is certified with regard to "Segregation and Identity Preservation" criteria.</p>	 Measure ongoing
<p>METRO committed itself to improving the environmental footprint of its own brand product packaging by adopting a group-wide mandatory guideline.</p> <p>In the period until 2018, METRO Cash & Carry will take the following measures in the national organisations taking part in the project and the Global Own Brand Management:</p> <ul style="list-style-type: none"> — Investigate the packaging of 10,000 own brand products for optimisation potentials, — Phase out polyvinyl chloride (PVC) packaging as much as possible and replace it with more sustainable packaging and — Obtain an FSC® (Forest Stewardship Council®) certification for 100% of SIG and Tetrapak beverage cartons. 	 Work in progress	<p>Investigation of optimisation potentials: METRO has adopted the 5R principle: remove, reduce, reuse, renew and recycle.</p> <p>Assessment of the environmental footprint of product packaging: METRO Cash & Carry uses PIQET, a system for analysing the life cycle of product packaging.</p> <p>Knowledge transfer and best-practice-sharing: METRO conducts regular packaging workshops. 10 METRO Cash & Carry national subsidiaries and the Global Own Brand Management have set themselves country-specific targets that will contribute to the overall target. In financial year 2015/16, METRO has successfully reduced the amount of packaging materials by 15%. 83% of Tetrapak and SIG private label beverage cartons are now FSC® certified, while 62% of PVC-based own brand packaging has been replaced by more sustainable alternative solutions.</p>	 Measure ongoing

1 BSCI definition of risk country.

2 This includes merchandise producers (non-food own brand products and own non-food imports) that carry out the final value-creating production step.

Goals	Status of goal attainment	Measures	Status of measures
<p>Real will successively</p> <ul style="list-style-type: none"> — Switch 100% of its paper and carton packaging for own brand food products to FSC®- and PEFCcertified materials and — Assess the packaging of all own brand products on potentials for improvement of their environmental footprint (e.g. use of less material, certified materials). 	 Work in progress	<p>Numerous projects on reducing the amount of packaging are ongoing. Trials with alternative fruit and vegetable packaging are also conducted. This led to the discontinuation of plastic shopping bags in January 2017.</p>	 Measure ongoing
<p>In 2016, METRO Cash & Carry adopted a guideline with the objective to source more than 50% of its own-brand products containing timber or paper from legal and sustainable sources by 2020.</p>	 Work in progress	<p>Sustainability workshops in the METRO Cash & Carry national subsidiaries prepare the country-specific implementation plans. We have already been using 100% recycling paper in our head office in Düsseldorf, Germany, since the year 2015. Moreover, all products belonging to our range of centrally procured own brand outdoor furniture range are already FSC®-certified.</p>	 Measure ongoing
<p>Real intends to switch its own brand products to 100% sustainable timber and paper by 2020, provided at least 50% of weight of the product consists of these resources.</p> <p>All printing paper, copy paper and sanitary tissues used internally at Real will be switched to 100% sustainable timber and paper.</p> <p>Real also intends to switch service packaging, such as packaging materials used at fresh food counters, to 100% sustainable timber and paper by 2020.</p>	 Work in progress	<p>Involvement of Real suppliers in the objective and implementation of a supplementary supplier agreement.</p>	 Measure ongoing
<p>METRO is intensifying its efforts for fair working conditions at all producers in high-risk countries¹ where import goods are manufactured for METRO SOURCING. Our efforts also target the producers of our own brand products or our own imports in the area of clothing, shoes, toys and household hardware.</p> <p>More stringent requirements for suppliers: All factories producing for us² must prove at least acceptable audit results by 1 January 2019.</p>	 Work in progress	<p>Continued inclusion of all factories² producing non-food own brand products in a valid BSCI social standard system or equivalent.</p> <p>Increasing the proportion of current audits, e.g. by providing specific training to the producers. As of 1 January 2017, new listings will only be accepted with at least an acceptable audit result.</p>	 Measure ongoing

1 BSCI definition of risk country.

2 This includes merchandise producers (non-food own brand products and own non-food imports) that carry out the final value-creating production step.

SUSTAINABLE CONSUMPTION

Goals	Status of goal attainment	Measures	Status of measures
<p>METRO initiates and promotes the development of an international technical solution for global traceability that encompasses all industries and products.</p>	 Work in progress	<p>Following successful implementation of the traceability solution Pro Trace for the fish and meat product categories at METRO Cash & Carry Germany, we started to introduce the solution in other countries at the beginning of 2015. At present, numerous countries and our international trading offices are involved in the project.</p> <p>After extending the project scope on country level to include the fish and meat product ranges, we have optimised our approach in 2016/17 and are now capable of tracing internal processing steps with this solution.</p> <p>METRO also supports the international cross-industry initiative Global Dialogue on Seafood Traceability (GDST). The goal of the initiative is to ensure interoperability in this important area.</p>	 Measure ongoing
<p>Sustainable products are products carrying certified seals or labels or Real's own or an approved quality seal. This also includes regional, reusable and free-range products.</p> <p>Real has set itself the target of achieving a 30% increase in the share of sustainable food and near food products by the year 2019.</p>	 Work in progress	<p>A solid data pool has been prepared in order to ascertain the status quo and will now serve as the basis for the listing of new products. We also conduct specific training measures and initiate intensive discussions with our suppliers. Our priority are the modifications in the rack planograms, with the main focus firmly fixed on sustainable products.</p>	 Measure ongoing

SOCIAL ENGAGEMENT

Goals	Status of goal attainment	Measures	Status of measures
METRO is expanding its projects involving food donations to international food bank initiatives from the current 16 METRO Cash & Carry countries to at least 17 countries.	 Work in progress	METRO Cash & Carry cooperates with food bank initiatives in 16 of the 25 METRO countries. Collaboration in the remaining countries is challenging due to external circumstances such as political or tax-related reasons. At present, METRO Cash & Carry is holding talks with local relief organisations and politicians with the aim of advancing the cooperation in those countries where extraneous circumstances stand in the way of working together.	 Measure ongoing
METRO launched the community involvement programme We help. The programme allows METRO to render non-bureaucratic help, assist in acute emergency situations and promote the integration of refugees. Our goal is to contribute a total of €1 million to refugee assistance projects in Europe by the end of financial year 2015/16. We have thus increased the budget for "community investments" (corporate citizenship) by €1 million.	 Goal reached	The expansion of the programme and a group internal round of applications – online and offline – has encouraged METRO colleagues to get involved.	 Measure completed
Due to the great success of the community involvement programme We help, the Management Board has decided to continue the programme in financial year 2016/17. In 2017, all METRO subsidiaries may apply for special funding for their projects. All types of voluntary involvement are encouraged.	 Work in progress	The expansion of the programme and an additional round of applications – online and offline – has encouraged METRO colleagues to get involved. The application paperwork has been translated into all METRO languages.	 Measure ongoing
METRO will be the title sponsor at the Düsseldorf Marathon for the 15th time in 2018. One of the reasons for sponsoring the marathon is to foster employee loyalty. Participation not only increases team spirit but also promotes the health of participants. On average, nearly 700 co-workers take part each year. We intend to sustain or even increase our involvement and are working on further increasing the number of METRO participants from 650 runners in 2017.	 Work in progress	Intensified promotion of the METRO Marathon via the group's social intranet, both within Germany and abroad.	 Measure ongoing
The inclusion of the UNWFP is scheduled for implementation in 6 national subsidiaries/service companies by the end of financial year 2017/18.	 New goal implemented	Creation of a contractual framework to assist with the preparation of local contracts. METRO AG is engaged in intense cooperation discussions with our colleagues in the METRO companies.	 Measure started

UNITED NATIONS GLOBAL COMPACT

Being a member of the United Nations Global Compact – the world's largest initiative for corporate responsibility – helps METRO to firmly embed sustainability in its company strategy. As well as this, it provides the right framework for our long-term commitment to responsible and ethical business practices.

With this Communication on Progress, METRO is fulfilling its obligation to demonstrate which guidelines and measures it is using to improve its performance in the fields of human rights, working standards, environmental protection and the elimination of corruption and to ensure that the Global Compact's 10 basic principles are adhered to in strategic decision-making and day-to-day work both now and in the future.

Düsseldorf, December 2017



UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2016/17

In the following tables, we show examples of commitments and management systems that serve the 10 principles, measures that we have taken and results that we achieved in the reporting period 2016/17.

- [Human rights and labour standards](#)
- [Environmental protection](#)
- [Anti-Corruption measures](#)

HUMAN RIGHTS AND LABOUR STANDARDS

PRINCIPLE 1: Support for human rights	PRINCIPLE 2: Elimination of human rights abuses	PRINCIPLE 3: Freedom of association and the right to collective bargaining
PRINCIPLE 4: Elimination of all forms of forced labour	PRINCIPLE 5: Abolition of child labour	PRINCIPLE 6: Elimination of discrimination

Commitments and management systems	Measures 2016/17	Achievements 2016/17
METRO Business Principles	The producers in defined risk countries (according to the assessment of the Business Social Compliance Initiative [BSCI]) in which METRO own brands or own imports in non-food areas are manufactured, are supported in implementing the BSCI standard or an equivalent system of social standards.	Of the 1,218 audited BSCI-relevant factories, 89% passed the social audit in accordance with BSCI specifications.
Anti-discrimination guidelines	Auditing of the country organisations for compliance with guidelines on fair working conditions and social partnership.	In addition to the training programmes offered by BSCI, approximately 450 producers were trained by MGB Hong Kong.
METRO guidelines on fair working conditions and social partnership	Project to run until 2020 with the aim of auditing 6/7 country organisations annually.	See key figure for social audits related to METRO own brands or own imports in the non-food areas .
International standards throughout the supply chain (BSCI)	Social dialogue at the local level is an important element in order for METRO to build up good labour relations. Collective agreements existing in various countries were reinforced. In other countries, collective agreements were reached for the first time or negotiations in this regard are still ongoing.	Sales of fair-trade products within the METRO Cash & Carry and Real sales lines in Germany came to just under €16 million. This figure includes items featuring the Fairtrade or the GEPA label.
The Accord on Fire and Building Safety in Bangladesh	Systematic continuation of the awareness-raising initiative Inclusion for Growth for all METRO AG and METRO Cash & Carry employees regarding inclusion and diversity, supported by workshops and an e-learning module.	To fulfil our due diligence, we launched a project to audit country organisations with regard to adherence to the principles of fair labour conditions and social partnership. In the framework of the project, our stores, offices and distribution centres in the METRO countries are audited. This expanded auditing is based on the UN Guiding Principles on Business and Human Rights and – along with the 7 global principles of METRO concerning fair labour conditions and social partnership – encompasses issues including employee data protection and the quality of integration of, and communication with, employees. The auditing process is designed to ensure that our companies are not involved, either directly or indirectly, in human rights violations. Our goal is to audit all METRO/MAKRO Cash & Carry organisations worldwide by 2020.
Key labour standards of the ILO (International Labour Organization), embedded in a variety of corporate guidelines	METRO is a member of Charta der Vielfalt e. V. As a member of the Rhine-Ruhr Diversity Network, METRO organised a joint event under the motto of “Vielfalt statt Einfalt – Kulturelle Kompetenz für wirtschaftlichen Erfolg” (Diversity, not simplicity – cultural skills for commercial success) on the occasion of Germany’s fifth Diversity Day. Some 100 managers from the member companies were invited to experience the importance of this issue for their management tasks in many different ways.	We want to identify possible weaknesses and develop countermeasures. The audits were launched in 2014 in the METRO Cash & Carry countries Turkey, Poland and Austria. In October 2016, the second pilot was conducted in the Ukraine. In 2017, additional audits took place in the METRO Cash & Carry countries Pakistan, Bulgaria, China, Japan, Hungary, Italy and Serbia.
Social standards clause in supplier contracts	By 30 June 2022, the proportion of women within METRO AG is to reach at least 20% in the first management level below the Management Board, and at	The joint declaration of METRO and the international union organisation UNI Global Union once again constituted the basis for the further support of the management and local labour representatives in the reporting year, for instance in Pakistan. Development and implementation of internal guidelines for the creation and maintenance of a healthy and safe work environment.
OECD Guidelines for Multinational Enterprises, embedded in a variety of corporate guidelines		
The Consumer Goods Forum’s Resolution on Forced Labour		
The Consumer Goods Forum’s Resolution on Health & Wellness		
Code of Conduct for Business Partners		

Commitments and management systems	Measures 2016/17	Achievements 2016/17
	<p>least 35% in the second level below the Management Board.</p> <p>The employee network Women in Trade (WiT) is instrumental in sustainably increasing the proportion of women in managerial positions, promoting internal and external dialogue, and creating better underlying conditions for women within the group. WiT has opened 2 foreign branches. Through local activities, the country networks in France and Portugal contribute to the common goal. There are now around 475 network members in the Düsseldorf location.</p> <p>The employee network METRO PRIDE for lesbian, gay, bisexual, trans and intersex people aims to raise awareness of the topics of sexual orientation and identity.</p> <p>Since 2017, METRO AG has additionally been a member of PROUT AT WORK.</p> <p>Since 2016, METRO AG has additionally been a member of the international LEAD Network.</p> <p>For details of active involvement in the areas of inclusion and diversity, occupational health and safety, and employer-employee relations, see also the employees in the Annual Report 2016/17.</p>	<p>To make people more aware of the fact that occupational health and safety is the responsibility of all staff members, we participated in the initiative of the International Labour Organization (ILO): in April 2016, we held our first international Occupational Health and Safety Day.</p> <p>Occupational health and safety training courses remain a high priority for us in order that we can prevent accidents. For this reason, we advanced the development of our own training library even further in financial year 2016/17. A training course developed by METRO LOGISTICS on how to operate forklift trucks was modified to make it internationally applicable.</p> <p>The proportion of women at management levels 1 to 3 was 21.6% on the reporting date, 30 September 2017.</p> <p>Successful external audit of the employee-related KPIs</p>

ENVIRONMENTAL PROTECTION

PRINCIPLE 7: Precautionary approach to environmental challenges

PRINCIPLE 8: Promotion of greater environmental responsibility

PRINCIPLE 9: Environmentally friendly technologies

Commitments and management systems	Measures 2016/17	Achievements 2016/17
METRO environmental policy	Implementing energy-saving measures in all the sales lines, e.g. with the Energy-Saving Programme and the Energy Awareness Programme for METRO Cash & Carry	Greenhouse gas emissions per m ² of selling space reduced by 20% compared to 2011
Energy management systems in accordance with ISO 50001	F-Gas Exit Programme: switching over our refrigeration systems to natural refrigerants such as CO ₂ or ammonia	Greenhouse gas emissions from electricity per m ² of selling space reduced by 25% compared to 2011
METRO climate protection target: reducing greenhouse gas emissions per m ² of selling space by 50% from 369 kg CO ₂ e/m ² in 2011 to 184 kg CO ₂ e/m ² in 2030	Assisting consumers with energy efficiency and correct disposal by providing relevant information and guides and also by taking back old electrical appliances at METRO Cash & Carry and Real in Germany	Greenhouse gas emissions from refrigerant losses per m ² of selling space reduced by 22% compared to 2011
Buying policy for sustainable sourcing, also specific purchasing guidelines on fish, palm oil and packaging	Transparent public reporting on climate change and water by participating in the CDP climate change programme and the CDP water programme, as well as active questioning of important suppliers about the CDP water supply chain programme	See KPIs on the carbon footprint and status of the climate protection target
International standards along the supply chain (GLOBALGAP, IFS)	Implementing the general buying policy for sustainable procurement and the specific buying guidelines for fish, palm oil and packaging	Water consumption per m ² of selling space increased by more than 3% compared with the previous year
The Consumer Goods Forum's Resolution on Deforestation	Range of ecologically and socially certified products	Environmental KPIs successfully audited externally once again
The Consumer Goods Forum's Resolution on Sustainable Refrigeration	Voluntary commitment to reporting on projects and their aims, measures and KPIs concerning circular economy by 2018 in the context of the Retailers' Environmental Action Programme (REAP), which is jointly sponsored by the European Commission and European retailers and associations	Energy management systems certified or recertified in accordance with ISO 50001 at over 500 locations. Certification of other locations is planned.
The Consumer Goods Forum's Resolution on Food Waste	Analysis of the impact of the intensified expansion in Food Service Distribution on nature capital and social capital	Renewed BREEAM certification for METRO headquarters
Membership in the Roundtable on Sustainable Palm Oil (RSPO)		Opening of the first METRO Cash & Carry green store in Dongguan, China and completion of the first zero-emission store in St Pölten, Austria
Membership in the Global Sustainable Seafood Initiative (GSSI)		Charging point infrastructure for electromobility expanded to more than 100 charging points at METRO Cash & Carry
Company car guideline with incentive system for more fuel-efficient vehicles		Implementation of an industry-wide traceability system as a precautionary measure relating to illegal fishing in various countries, and expansion to include new partners, countries and product groups
"EV100" commitment (electric vehicle joining commitment) organised by the NGO Climate Group		Products certified in accordance with the EU regulation on organic farming accounted for approx. €140 million in sales within the METRO Cash & Carry and Real sales lines in Germany
		In Germany, METRO Cash & Carry and Real generated sales of over €93 million with products caught using sustainable fishing practices and aquaculture. These are products bearing the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC) and EU organic logos. Real generated sales of more than €440 million with regional products in the last financial year. Sales of products bearing the Forest Stewardship Council® (FSC®) label or the label of the Programme for the Endorsement of Forest Certification (PEFC) amounted to €39 million.

ANTI-CORRUPTION MEASURES

PRINCIPLE 10: Combating corruption

Commitments and management systems	Measures 2016/17	Achievements 2016/17
<p>METRO Business Principles</p> <p>Anti-corruption guidelines for dealings with business partners and officials</p> <p>Business partner questionnaires</p>	<p>Group-wide compliance communications providing staff with information in various formats, including METRO's social network platform, in order to ensure compliant conduct and prevent anti-competitive behaviour</p>	<p>Examples of internal communication measures:</p> <ul style="list-style-type: none"> — Compliance Talks — Compliance presence on METRO's social network
<p>OECD Guidelines for Multinational Enterprises, embedded in a variety of corporate guidelines</p> <p>Supply Chain Initiative (SCI)</p>	<p>Implementation of an internal control system for managing compliance risks within operational processes, including systematic checks, dual control and separation of functions</p> <ul style="list-style-type: none"> — Regular monitoring of internal controls within the operating processes — Implementation of internal controls in other processes relating to key compliance issues (e.g. anti-corruption measures) <p>Due diligence assessments of business partners based on the anti-corruption guidelines by means of business partner questionnaires</p> <p>Inclusion of an anti-corruption clause in contracts with business partners</p>	<p>Examples of external communication measures:</p> <ul style="list-style-type: none"> — Membership of and active involvement in the Alliance for Integrity, an anti-corruption initiative run by the Federal Ministry for Economic Cooperation and Development and the United Nations Global Compact network <p>Training management optimisation for better adaptation of all training in the area of Corporate Legal Affairs & Compliance and to ensure there is a sufficient array of training for the target group, with defined mandatory training seminars</p> <p>Implementation of anti-corruption training for the relevant target group in accordance with METRO's training management</p> <ul style="list-style-type: none"> — In financial year 2016/17, training on the topic of anti-corruption measures was given to more than 90% of the employees and executives in almost all business units. — Measures to improve these training quotas have already been initiated. — Additionally, training for new employees working in risk-based positions (such as purchasers) <p>Governance of all the METRO units managed by the Corporate Legal Affairs & Compliance department</p>

REPORT PROFILE

This Corporate Responsibility Progress Report 2016/17 was prepared following with the guidelines of the Global Reporting Initiative (GRI G4).

REPORTING PERIOD

The reporting period is the current financial year 2016/17 (1 October 2016 to 30 September 2017). To provide updates on developments, information has also been included that relates to periods prior to 2016/17. In the interests of topicality, we have also taken into account events which occurred up to the time of going to press (12 December 2017). The frame of reference for each of our targets and measures is indicated in the relevant section.

LIMITATIONS OF THE REPORT

The scope of applicability of the information is given in the respective texts, key performance indicators or goals.

UNITED NATIONS GLOBAL COMPACT

Since 2010, METRO has subscribed to the principles of the UN Global Compact, a United Nations-led global initiative that aims to encourage businesses to adopt universal sustainability principles. By [subscribing to the United Nations Global Compact](#), we have committed ourselves to continuous improvements in the areas of human rights, labour standards, environmental protection and anti-corruption measures. With this Corporate Responsibility Progress Report 2016/17 that is available online, METRO meets its obligation to demonstrate how improvements have been made within these areas.

INDEPENDENT EXTERNAL ASSURANCE OF THE CR REPORT 2016/17

We constantly strive to improve our sustainability management. Having our report audited externally is a means of emphasising the credibility and transparency of our sustainability reporting. The certification from the independent auditor can be viewed under [audit certification](#).

DISCLAIMER

This Corporate Responsibility Progress Report contains forward-looking statements that are based on certain assumptions and expectations at the time of its publication. These statements are therefore subject to risks and uncertainties, which means that actual results may differ substantially from the future-oriented statements made here. Many of these risks and uncertainties are determined by factors that are beyond the control of METRO and cannot be gauged with any certainty at this point in time. These include future market conditions and economic developments, the behaviour of other market participants, the achievement of expected synergy effects as well as legal and political decisions. METRO does not feel obliged to publish corrections to these forward-looking statements to reflect events or circumstances that occur after the publication date of this material.

JOIN IN THE DIALOGUE

Dialogue with our readers is important to us because it shows us what you expect of our company and where we can make further improvements. We would therefore like to hear any questions or comments you may have about the METRO Corporate Responsibility Progress Report 2016/17 and our sustainability activities in general.

To share your thoughts, use one of our online dialogue tools or send us an e-mail: CR@metro.de

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR REGARDING SUSTAINABILITY INFORMATION¹

To the Management Board of METRO AG, Düsseldorf

We have performed an independent limited assurance engagement on the sustainability information published in the “Corporate Responsibility Progress Report 2016/17” (further “Report”) for the business year 2016/17 (October 1, 2016 to September 30, 2017) of METRO AG, Düsseldorf (further “METRO”), published online at www.metroag.de/cr-progress-2016-17.

It was not part of our engagement to review product and service related information, references to external websites and information sources, as well as future-related statements in the Report. As shown in the section social audits for own imports, certifications on manufacturing facilities of suppliers in 2016/17 were conducted by external certification firms mandated by METRO to ensure compliance with the environmental, social and health standards of the Business Social Compliance Initiative (BSCI). The reasonableness and accuracy of the conclusions from the performed audit / certification work was not part of our limited assurance procedures.

Management’s Responsibility

The legal representatives of METRO are responsible for the preparation of the Report and the determination and presentation of the information in accordance with the Reporting Criteria. METRO applies the principles and standard disclosures of the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative, the Corporate Accounting and Reporting Standard (Scope 1 and 2) and the Corporate Value Chain (Scope 3) Standard of World Resources Institute/World Business Council for Sustainable Development, supported by internal guidelines (further: Reporting Criteria).

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the reported information and the use of assumptions and estimates for individual sustainability disclosures which are reasonable under the given circumstances.

Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the information in a way that is free of intended or unintended – material misstatements.

Independence and quality assurance on the part of the auditing firm

We are independent from the Company in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements. Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the professional code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1), both in accordance with the International Standards on Quality Control, published by the International Auditing and Assurance Standards Board (IAASB).

Practitioner’s Responsibility

Our responsibility is to express a conclusion based on our work performed within a limited assurance engagement on the abovementioned information.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the International Standard on Assurance Engagements (ISAE) 3410: “Assurance Engagements on Greenhouse Gas Statements” of the International Auditing and Assurance Standards Board (IAASB). These standards require that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that above mentioned sustainability information published online at www.metroag.de/cr-progress-2016-17, for the period from 1 October 2016 to 30 September 2017, has not been prepared, in all material respects with the aforementioned Reporting Criteria. We do not, however, issue a separate conclusion for each sustainability disclosure. In a limited assurance engagement, the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor’s own judgement.

Within the scope of our work, we performed amongst others the following procedures:

- Interviewing employees at Group level in order to gain an understanding of the process for determining material sustainability topics and the respective boundaries of METRO.
- A risk analysis, including a media search, to identify relevant sustainability aspects for METRO in the reporting period.
- Evaluation of the design and implementation of systems and processes for the collection, processing and controls of the selected sustainability performance indicators, including the consolidation of the data and the documentation of these activities.

- Interviews with relevant staff at Group level responsible for providing the data and information, carrying out internal control procedures and consolidating the data and information, including the explanations to the reported information.
- Visits to METRO AG, Düsseldorf, METRO Energy Management, METRO LOGISTICS Germany GmbH and METRO ADVERTISING GmbH, MAKRO Cash and Carry Polska S.A., Warszawa, (Poland), and real,- SB-Warenhaus GmbH, Mönchengladbach to assess local data collection and reporting processes and the reliability of the reported data.
- Visits to two stores of Real and METRO Cash & Carry to assess local data collection and reporting processes and the reliability of the reported occupational safety data.
- Evaluation of internal and external documentation to determine whether the qualitative and quantitative information is supported by sufficient evidence and is presented correctly and balanced.
- Analytical review of the data and trend explanations submitted by all sales divisions for consolidation at Group level.
- Evaluation of the overall presentation of the quantitative and qualitative information on the sustainability performance in scope of our assurance engagement.

Conclusion

Based on the procedures performed and the evidence received to obtain limited assurance, nothing has come to our attention that causes us to believe that the sustainability information in the Corporate Responsibility Progress Report 2016/17 of METRO, published online at www.metroag.de/cr-progress-2016-17 for the business year 2016/2017, is not prepared, in all material respects, in accordance with the Reporting Criteria.

Purpose of the assurance report

This assurance report is issued based on an assurance engagement agreed upon with METRO. The assurance engagement to obtain limited assurance is conducted on behalf of METRO and the assurance report is solely for information purposes of METRO on the results of the assurance engagement.

Limited liability

This assurance report must not be used as a basis for (financial) decision-making by third parties of any kind. We have responsibility only towards METRO. We do not assume any responsibility towards third parties.

Düsseldorf, December 13, 2017 KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Laue
Wirtschaftsprüfer
[German Public Auditor]

Glöckner
Wirtschaftsprüfer
[German Public Auditor]

¹ Our engagement applied to the German version of the Report 2016/17. This text is a translation of the Independent Assurance Report issued in German language, whereas the German text is authoritative.