

# Welcome to your CDP Climate Change Questionnaire 2021

## C0. Introduction

### C0.1

#### **(C0.1) Give a general description and introduction to your organization.**

METRO is a leading international specialist company in the wholesale and modern food retail sector. The company operates in 34 countries and employs almost 100,000 people worldwide. In financial year 2019/20, METRO generated sales of around EUR 25.6 billion. The group is headed by METRO AG, which acts as the central management holding company. It performs group management functions, particularly in the areas of finance, controlling, legal and compliance. Central management and administrative functions for METRO Wholesale are anchored within METRO AG. The group essentially consists of METRO Wholesale. The wholesale company METRO Wholesale operates 678 wholesale stores across 25 countries. The delivery business (Food Service Distribution, FSD) is also part of this sales line, with companies like METRO Delivery Service and the delivery specialists Classic Fine Foods, Pro&Pro and Rungis Express. The group has pooled its digitalisation initiatives in the Others segment. This primarily refers to the activities of the Hospitality Digital (formerly HoReCa Digital) business unit, which was established in 2015. The unit develops digital solutions for customers in the hospitality industry and creates interfaces for the digital products conventionally used by wholesale traders. The Others segment further includes the service companies METRO PROPERTIES, METRO LOGISTICS, METRO-NOM (formerly METRO SYSTEMS), METRO ADVERTISING and METRO SOURCING. These companies provide real estate, logistics, IT, advertising and procurement services within the group.

#### **Global challenges**

The global challenges which our society is facing also have an impact on METRO and its segments. After all, our core business is providing high-quality products and services to customers the world over. The basis for this is an intact environment and the availability of resources.

Global population growth is one of the biggest challenges as it impacts resource consumption, the climate and the food situation. According to forecasts by the United Nations, approximately 9.7 billion people will live on earth by 2050. In order to meet their needs, agriculture would have to produce nearly 50% more food, animal feed and biofuels in 2050 than in 2012. Because with increasing prosperity, eating habits change as well. There will be an increase in the need for meat, for example, the production of which is particularly resource-intensive. We already consume considerably more resources per annum than our planet can provide sustainably.

If this consumption rate continued unabated, by 2050 we would need 3 planets like the earth to meet the demand for resources. The pressure on the earth's sustainability is mounting. Growing consumption of resources In the long run, METRO can only safeguard the foundations of its business if it manages to separate growth from the resource requirements. Sustainable business for us therefore means improving our 'foodprint' while minimizing our footprint. We are working towards this by:

- improving our procurement processes in terms of environmental and social criteria,
- making our products and services more sustainable and offering efficient solutions to simplify our customers' business activities,
- optimizing our own processes to use natural resources efficiently and responsibly in line with the 'reduce, reuse, recycle' principle, and to avoid (food) waste, and
- raising awareness of these interrelationships among our employees (e.g. sustainability day), business partners (e.g. CDP supply chain program on water, forest and climate change) and customers (e.g. roundtable METRO France).

In this manner, we generate added value for our customers and help master global challenges in society as a whole. METRO offers the framework for this with its corporate strategy and its sustainability approach METRO Sustainable. The sales lines implement their specific approaches at the operational level.

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	Oktober 1, 2019	September 30, 2020	No

## C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

- Austria
- Belgium
- Bulgaria
- China
- Croatia
- Czechia
- France
- Germany
- Hungary
- India
- Italy
- Japan
- Kazakhstan
- Myanmar
- Netherlands
- Pakistan

- Poland
- Portugal
- Republic of Moldova
- Romania
- Russian Federation
- Serbia
- Slovakia
- Spain
- Turkey
- Ukraine

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Financial control

# C1. Governance

## C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Responsibility for climate-related issues in the reporting year was with the CEO who was the Director on the management board in charge of Sustainability. In this position, the CEO was also responsible for METRO's strategic climate target and its management and the group's overall performance on climate change issues. Bi-weekly, the CEO is briefed on the developments of emissions reductions and on other overall climate-related issues by the Global Director Global Corporate Responsibility.

	<p>At METRO AG, the strategic steering of climate-related issues lies with the Sustainability Committee (SusCom). The Board member responsible for Sustainability, in the reporting year this was the CEO of METRO AG, is chairman of the Sustainability Committee. The status of METRO's climate protection target and related initiatives are a scheduled agenda item in each Committee meeting once per quarter. The Board is therefore regularly informed about climate-related issues and decides on strategic issues such as budget requirements for emission reduction activities . In the reporting year, the CEO and the SusCom steered by him, decided to conduct a TCFD-related Scenario Analysis for physical and transitional climate-related risks in METROs Fruit &amp; Vegetable assortment.</p> <p>In the previous year, the Director on Board responsible for Sustainability, at that time, the CHRO, together with the Sustainability Committee decided to raise the internal carbon price used as a shadow price from 25€ to 50€. As an outcome of this decision, all technical investments, new store openings or store re-modellings are calculated using this internal carbon price, led by the group-level Investment Committee.</p> <p>Climate-related issues are considered in the usual processes to review and adjust, if necessary, strategy, action plans, policies or budgets. For example, investments in energy saving programs are part of the annual budget planning process.</p>
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## C1.1b

**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and	The Board member responsible for Sustainability also is chairman of the Sustainability Committee. The status of METROs climate protection target and related initiatives (for carbon reduction) are a scheduled agenda item in each Committee meeting taking place once per quarter. The Board is therefore regularly informed about climate-related issues. Climate-related issues are considered in the usual processes to review and adjust, if necessary , strategy, action plans, policies or budgets. For example, investments in energy saving programs are part of the annual budget planning process. An internal price of CO2 is considered in investment decisions for energy saving investments (small CAPEX decision). We raised the internal carbon price by 100% in 2019. Climate-related issues are also considered within the Investment Proposal

	performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	process for new store openings and remodelling .
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## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee ☞ <sup>1</sup>	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

☞<sup>1</sup>As an official body, the METRO Sustainability Committee makes sure that the right strategic course is pursued with respect to the group’s sustainability performance and key issues are covered by means of relevant targets. The Committee consists of the CEO as Director on Board responsible for sustainability, the CEOs of the METRO country divisions, other relevant executive managers and the sustainability managers from METRO AG and the country divisions.

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

**Description of position within structure:**

In the reporting year, the CEO of METRO AG in his reporting line for the department of Corporate Responsibility was responsible for sustainability management. By this position, the CEO was deciding and managing climate-related risks and opportunities, while also being one of two Co-Chairs of the internal Sustainability Committee.

The Sustainability Committee is steered by the two co-chairs of the committee, the Director on Management Board, in the reporting year this was the CEO of METRO AG, responsible for sustainability and the so-called Operating Partner, in the reporting years this was the CPO (Chief Procurement Officer) as well as other executive level-2 managers:

- representative **CEOs of METRO Wholesale country units**, as the connection to METRO' operative sales business on country level. Their feedback on sustainability with country level perspective and operational expertise is valuable and needed for the planning of implementation of sustainability initiatives. They also act as sustainability ambassadors and drivers in METRO operations. They also are responsible for implementing carbon-reduction activities, such as installment of EV charger, Photovoltaic systems, on country level.
- the **Global Director of Food Sourcing**, as being responsible for METRO's food assortment on corporate & global level. He is a very important driver for all sustainability activities relating to (private label) products. Especially on all activities related to Scope 3.1 emissions, as carbon footprint of METRO's assortment, the Director of Food Sourcing supports eg. METRO's running scenario analysis on the climate-related impact on METRO's fruit & vegetable supply chain by mandating food sourcing experts to the project team.
- the **Global Director of Corporate Responsibility**, being in charge of setting the strategy for sustainability at METRO plus leading the expert team Corporate Responsibility on group-level, including proposing climate-related strategies & initiatives to the Sustainability Committee and managing the group-level Carbon Accounting of METRO AG.
- managers from **Quality Assurance**, who are in charge of implementing initiatives, regulations and requirements for more sustainable products. Colleagues from this department also support eg. the scenario analysis on fruit & vegetable products.
- managers from **Corporate Communications**, who scale the impact of all sustainability activities of METRO by communicating them internally and externally. For example, providing information about METRO's Science Based Target to employees and media.

In all METRO countries, sustainability managers are responsible for making sure that sustainability is integrated into the business at the level of the sales lines and the group. This is done by rolling out this concept in the various corporate divisions and taking it into account during decision making.

**Specific responsibilities of positions and committees:**

As an official body, the METRO Sustainability Committee makes sure that the right strategic course is pursued with respect to the group's sustainability performance and key issues are covered by means of relevant targets, e.g. climate protection target.

**Rationale why responsibilities for climate-related issues have been assigned to these positions:**

Sustainability Committee encompasses responsible positions from Group and sales lines level. Several relevant functions are represented which are needed to take into account with strategic decisions. The Committee has a direct link to board level as it is chaired by the management board member responsible for Sustainability. In the reporting year this was the CEO of METRO AG.

**How climate-related issues are monitored by the positions and committees:**

The Committee meets quarterly and current status of climate protection target and related initiatives are a scheduled agenda item in each meeting. For example, the Committee is informed by the Director Energy Management about the status of Energy Saving and Energy Awareness Programs or F-Gas Exit Strategy.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

### C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target Environmental criteria included in purchases Company performance against a climate-related sustainability index	Each Board member does have sustainability related targets. The Director on Board responsible for Sustainability, the Chief Executive Officer, has in his targets for short term incentive one target related to reduction on GHG emissions. The progress towards target is measured by KPI reduction of Carbon emissions of METRO versus previous year. Long term incentives contain 3 specific and business related KPIs with sustainability as linking KPI weighted with 10%. Target is to stay the key player for sustainability within industry group measured by KPI "Rank in S&P CSA assessment in our industry group" including emission reduction as an important driver.
Management group	Monetary reward	Emissions reduction target Company performance against a climate-related sustainability index	Team lead managers of sales lines METRO Wholesale have an overall sustainability related KPI in their Longterm incentive. LTIs contain 3 specific and business related KPIs with sustainability as linking KPI weighted with 10%. It is measured the same way in both LTIs. Target is to become one of the key players for sustainability within industry group measured by KPI "Rank in S&P CSA assessment in our industry group".
Energy manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	The Director Corporate Energy Management at METRO AG is provided with monetary reward with regard to the implementation of specific emissions and energy reduction projects as well as to the achievement of electricity reduction target. The Long term target is a reduction of 35% .

		Company performance against a climate-related sustainability index	
Board/Executive board	Monetary reward	Emissions reduction target Company performance against a climate-related sustainability index	Each Board member does have sustainability related targets. Long term incentives contain 3 specific and business related KPIs with sustainability as linking KPI weighted with 10%. Target is to stay the key player for sustainability within industry group measured by KPI "Rank in S&P CSA assessment in our industry group" including emission reduction as an important driver.
Corporate executive team	Monetary reward	Emissions reduction target Company performance against a climate-related sustainability index	Executives of sales lines METRO Wholesale and Real have an overall sustainability related KPI in their Longterm incentive. LTIs contain 3 specific and business related KPIs with sustainability as linking KPI weighted with 10%. It is measured the same way in both LTIs. Target is to become one of the key players for sustainability within industry group measured by KPI "Rank in S&P CSA assessment in our industry group".

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	1	We generally assess risks over a prospective 1-year period, strategic risks cover at least the medium-term planning horizon (3 years).
Medium-term	1	3	We generally assess risks over a prospective 1-year period, strategic risks cover at least the medium-term planning horizon (3 years).



Long-term	3	10	METRO monitors and assesses longer-term risks and opportunities using its issues management system.
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## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

#### Definition of 'substantive financial impact':

All identified risks are classified based on uniform standards and quantitative and qualitative indicators with regard to the potential extent of damages (detrimental effects on our corporate objectives, the key performance indicator is EBITDA and probability of occurrence. For the risk matrix the significance levels are currently calculated based on EBIT and will be changed to EBITDA.

We break down risks into the following 4 risk categories:

#### Loss potential

- Significant > €300 million
- Major > €100–300 million
- Moderate > €50–100 million
- Minor ≤ €50 million

#### Probability and frequency of occurrence

- Probable > 50%
- Possible > 25–50%
- Low ≥ 10–25%
- Unlikely < 10%

Frequency is not disclosed separately, loss potential is based on frequency and magnitude. Overall risk is calculated based on probability multiplied by loss potential. A „substantive financial impact“ would be related to risks assessed as particularly relevant risks (gross risks) METRO is exposed to and are reported in the Opportunities and Risk Report of the Annual Report, e.g. loss potential > €50 million € or probability >50%.

#### Example of substantive impact considered

As a company with global operations, METRO depends on the political and economic situation in the countries in which it operates. The fundamental business environment can change rapidly. Changes in political leadership, civil unrest, terrorist attacks or natural disasters can jeopardise METRO's business. For the reporting year 2019/20, the political and economic situations in Russia, Ukraine and Turkey were of particular relevance. The potential risks include the loss of property and real estate assets, changes in the exchange rate, trade restrictions, capital controls and regulatory restrictions. The global economy is increasingly marked by tense trade relations between the USA, Europe and China, as can be clearly seen in the expansion of the imposed punitive tariffs, as well as the approved withdrawal of the United Kingdom from the European Union (Brexit).

We assess climate-related risks over a prospective 1-year period, strategic risks cover at least the medium-term planning horizon (3 years). METRO monitors and assesses longer-term risks and opportunities, for example most of the climate change related risks, using its issues management system. The Corporate Public Policy department's Issues Management unit continuously monitors and identifies topics of special interest and media issues of relevance to the group. This enables us to address the public debate with swift, clear and uniform statements. The group's issues management and risk management systems are closely interconnected.

## C2.2

### **(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

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#### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

#### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

#### **Frequency of assessment**

More than once a year

#### **Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

#### **Description of process**

The group's Governance, Risk and Compliance Committee (GRCC) is chaired by the Chief Financial Officer of METRO AG and regularly discusses methods and new developments of the GRC subsystems. The committee also conducts regular reviews of the current opportunity and risk situation.

METRO conducts an annual risk inventory combining bottom-up and top-down risk assessments to systematically map and assess group-wide risks based on uniform criteria. During bottom-up risk reporting, Governance Units identify and assess their risks and report the results by providing a risk reporting package, including all relevant single risks identified by the Governance Unit with documentation on risk description, assessment and response measures. On corporate level, Corporate Process Owners, as functional experts, validate the bottom-up reported information regarding their function and add their own top-down risk assessment. The results are documented in functional risk profiles (FRP). The FRPs contain detailed risk descriptions and information about risk assessment, the considered bottom-up reported risks, response measures and the maturity grade.

FRPs for selective categories are validated in interaction between Corporate Process Owners and the GRC committee and specific steps to improve risk management are devised.

The scope of the risk management comprises risks that can stem from exogenous factors like economic and political risks; regional and specific country risks; legal environment; capital market; competition; customers; general public; and nature and environmental influences. Many of those risks are affected by climate change. Therefore climate change related risks and opportunities as well as other ESG related issues are integrated into the company-wide risk management process. At company level Corporate Responsibility Department, for example, assesses the potential reputational risk if METRO fails to meet stakeholder expectations, eg. if the company would miss its GHG emissions target. At asset level climate related risks like "business interruption due to flooding" are assessed by local Store Operation Departments.

Longer-term risks and opportunities (> three years) are assessed under the Issues Management, covering most of climate change related issues like reduced availability of agricultural raw materials. In that way we compile an overarching risk and opportunity portfolio for METRO.

Case study of physical risk assessment:

In course of the annual risk inventory, for example, the risk of product availability issues due to climate change is assessed by local risk owners during bottom-up risk assessment for their local circumstances and later aggregated at group level. Here, the risk of "Reduced availability or non-availability of products relevant for the business model of METRO Product availability issues due to climate change " is included in the Risk Catalogue which is checked on probability and impact by risk owners in country operations. For example, rising wheat prices or less availability of wheat products due to heat and drought and smaller harvest in important production countries, eg. Ukraine. The local risk owners report their risks within their bottom-up risk assessment to Group Governance, and to set up METRO's risk inventory, the Corporate Process Owners summarize this country feedback to establish Functional Risk Profiles.

Description:

Reduced availability or non-availability of products relevant for the business model of the METRO Group. Price increase of raw materials and agricultural produce due to climate change related weather incidents.

Examples:

Direct or indirect non-availability of products due to consequences of climate change. Non-availability can be caused by weather related difficulties in the supply chain or due to a reduction in biodiversity and therefore an elimination of certain products, starting with increasing resource prices (already visible for energy cost).

Possible Risk Response:

Climate protection measures, centralized sourcing through METRO Trading Offices enabling flexible procurement from alternative sources for the products in demand.

The Default Risk "Reduced availability or non-availability of products relevant for the business model of METRO Product availability issues due to climate change" is included in the Functional Risk Profile "Reputational risks – Fail to meet stakeholder expectations regarding sustainability" which is clustering various Default Risks to define the overall impact:

Default risks defined based on bottom-up statistics and number of business units reporting this risk (to identify the probability of occurrence):

CR-04-03 Product availability issues due to climate change // reported by 5 business units

Case study of transition risk assessment:

An example of a transitional risk assessed in our annual risk inventory, is the risk "Reputational risks – Fail to meet stakeholder expectations regarding sustainability", which covers climate-related engagement of METRO and the risk of not achieving our targets. In METRO's internal "Functional Risk Profile" this specific risk, including the measure of probability of occurrence and the loss potential, is defined and described as follows:

"Negative impact on sales, loss of customers/turnover/reputation/investors, in own operations & own brands due to brand damage by missing own commitments:

1. Human Rights:

Referring to Fair Working Conditions in own operations (OHS) and METRO's supply chain. Risk of non-compliant suppliers.

2. Environment:

- Deforestation, environmental pollution, Animal Welfare, Biodiversity.
- Increased risk of missing targets of METRO commitments to offer a sustainable assortment, e.g. failed implementation of sourcing policies (eg. soy, palm oil, fish & seafood)

Default risks defined based on bottom-up statistics and number of business units reporting this risk (to identify the probability of occurrence):

CR-04-01 Missing food waste reduction targets // reported by 4 business units

CR-04-04 Reputation damages due to non-sustainable behavior // reported by 10 business units

CR-04-03 Product availability issues due to climate change // reported by 5 business units

Gross risk description & loss potential:

- Expert view based on potential turnover loss from „more sustainable“ products (total turnover globally from these products are about 750 mio. €)
- Range of loss potential reported by different risk owners
- Probability of Occurrence: defined by expert view & based on scientific research of risk probability assumptions eg by the WEF or insurance companies"

Result:

- A set of mitigating actions to manage these risks have been defined, eg.:
- Organizational structure and regular guidance in place
  - Traceability for fish and meat
  - Internal and external (third party) audits of processes at METRO
  - Engagement in developing standards
  - Constant work to raise awareness and knowledge about sustainability within METRO

## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Current regulation is taken into account as it could have an impact on business decisions.</p> <p>Example: For example, in 2015 we intended to implement 4 further CHP generating units in our stores in Germany. This was stopped due to changed regulation which had negative impact on the business case of these projects. Germany introduced a levy on self-generated electricity.</p> <p>Inclusion in risk assessment: Current regulations are included in our Risk Management under the risk groups "Risks related to the business environment" as well as "Specific industry sector risks". We observe current regulation as part of due diligence checks in case of planned investments. Also, the respective corporate functions maintain close contact to the regulatory field, e.g. via working groups of trade associations etc.</p> <p>The impact of carbon or energy regulation on technical investments such as the shift to renewable energy by implementing photovoltaic systems or the F-Gas exit and installment of new cooling systems, are included in the internal Risk "OPEX increase / additional CAPEX" which is described as follows: Higher investments needed to meet new technological standards to react to change of technical operations (eg. Because of legislation) due to climate change (eg. Resource scarcity). Higher operational costs expected due to eg. Resource scarcity.</p> <p>Resource scarcity (increasing prices – raw material, energy, water): As METRO is causing directly and indirectly CO2 emissions we would be effected from this regulation..introducing. Any tax or levy would have an impact on prices for fossil fuel consumption (store operations) and products/services (sourcing). Additional costs could relate to METRO.</p> <p>Regulation (taxes eg. Co2 tax, carbon price):</p>

		<p>According to the Paris Agreement on Climate Protection (EU) countries have committed to national reduction targets on Greenhousegas (GHG) emissions. GHG emissions are calculate in terms of CO2 emissions. We see a high probability that a CO2 tax (or levy) will be introduced in the EU.</p> <p>Investments in new technology (eg. Electric Vehicles, Photovoltaic, F-Gas Exit Program FEP for refrigerants)</p> <p>The gross risk is assessed as follows: We assumed that a CO2 tax was introduced earliest 2021. Risk: &gt;3.5 m€/yearly (at initial CO2 price 25 €/to)</p> <p>Implemented by tax, levy, Emission Trading scheme; ETS is the minimum agreement new mediums heating + transportation; Refunds + partially compensation, e.g. for high carbon &amp; energy performance</p>
Emerging regulation	Relevant, always included	<p>Emerging Regulation is always taken into account as it could have an impact on business decisions.</p> <p>Example: For example, some years ago upcoming EU regulation on F-Gases, which are used as refrigerants in cooling facilities by METRO, was closely monitored as it could have (and finally had) significant impact on maintenance and remodelling of cooling facilities in our stores.</p> <p>Inclusion in risk assessment: Emerging regulation is monitored as part of the Issues Management by Department Corporate Public Policy.</p>
Technology	Relevant, always included	<p>Technology related risks are always taken into account as they could impact business.</p> <p>For example, EU Regulation on F-Gases , which are used as refrigerants in cooling facilities by METRO, influences availability of cooling facility technologies and refrigerants volumes. A risk is constituted if METRO should invest in cooling facility technologies which may not be state of the art in a few years due to technological progress and changes in cooling technology. We closely monitor further development of prices and availability.</p> <p>Inclusion in risk assessment: Risks from change in technology are monitored by experts in Department Investments and Technical Solutions.</p>
Legal	Not relevant, included	<p>In general, legal risks are always taken into account in our risk assesement process. Currently, we expect that climate-related litigation claims will become relevant to METRO in near future (after 2021).</p>

Market	Relevant, always included	<p>Market related risks are always taken into account as they could impact business. Our company is more exposed than ever to economic, environmental, social and cultural challenges. Similarly, we experience that sustainability is the key to transforming these challenges into opportunities. METRO operates an active sustainability management system in order to enshrine sustainability systematically and organisationally in its core business</p> <p>For example, The risk “Challenges in the business model” is classified as particularly relevant risk in our risk reporting. This considers trends in consumer behaviour and expectations.</p> <p>We see climate change and transition to low carbon economy as part of the overall risk called "Fail to meet stakeholder expectations regarding sustainability". This could include an increasing demand for low carbon products, e.g. energy efficient electrical appliances or locally sourced food products.</p> <p>Inclusion in risk assessment: The Corporate Public Policy department’s Issues Management unit continuously monitors and identifies topics of special interest and media issues of relevance to the group. This enables us to address the public debate with swift, clear and uniform statements. In addition, on country level experts for example from Quality Assurance assess the market trends in their specific markets.</p>
Reputation	Relevant, always included	<p>Reputational risk is always taken into account as it could impact customer behaviour.</p> <p>For example, we see climate change and transition to low carbon economy as part of the overall risk called "Fail to meet stakeholder expectations regarding sustainability". Reputational risks arise if METRO fails to meet stakeholder expectations, for example if the company would miss it's GHG emissions reduction target to reduce GHG emissions by 50% until 2030.</p> <p>Inclusion in risk assessment: At company level Corporate Responsibility Department assess the potential reputational risk if METRO fails to meet stakeholder expectations, for example if the company would miss it's GHG emissions reduction target to reduce GHG emissions by 50% until 2030.</p>
Acute physical	Relevant, always included	<p>Acute physical risks are always taken into account as they could impact business and assets.</p> <p>Example: Our business operations could, for example, be interrupted by natural disasters like flooding or cyclones. Currently, we see this risk as</p>

		<p>material in a few countries, e.g. for majority of our nine Pakistani stores.</p> <p>Inclusion in risk assessment: These risks are assessed on regular basis for our store network by local Store Operation Departments.</p> <p>The impact of mitigating activities of acute physical risks are included in the internal Risk "OPEX increase / additional CAPEX" which is described as follows: Higher investments needed to meet new technological standards to react to change of technical operations (eg. Because of legislation) due to climate change (eg. Resource scarcity). Higher operational costs expected due to eg. Resource scarcity. Resource scarcity (increasing prices – raw material, energy, water): As METRO is causing directly and indirectly CO2 emissions we would be effected from this regulation. Any tax or levy would have an impact on prices for fossil fuel consumption (store operations) and products/services (sourcing). Additional costs could relate to METRO. Regulation (taxes eg. CO2 tax, carbon price): According to the Paris Agreement on Climate Protection (EU) countries have committed to national reduction targets on Greenhousegas (GHG) emissions. GHG emissions are calculate in terms of CO2 emissions. We see a high probability that a CO2 tax (or levy) will be introduced in the EU. Investments in new techology (eg. Electric Vehicles, Photovoltaic, F-Gas Exit Program FEP for refrigerants) The gross risk is assessed as follows: We assumed that a CO2 tax would be introduced earliest 2021. Risk: &gt;3.5 m€/yearly (at initial CO2 price 25 €/to) Implemented by tax, levy, Emission Trading scheme; ETS is the minimum agreement new mediums heating + transportation; Refunds + partially compensation, e.g. for high carbon &amp; energy performance</p>
Chronic physical	Relevant, always included	<p>Chronic physical risks are always taken into account in mid-term perspective as they could impact future business.</p> <p>For example, we assess the current and future water stress risk for our stores . Climate change is considered as it might impact future water stress level. Without sufficient water supply in terms of quantity or quality proper store operations is at risk as water is needed for cleaning, sanitation and ice production.</p> <p>Inclusion in risk assessment : We applied the Aqueduct Water Risk Tool to assess the water stress risk for our entire store network. The Tool provides information on current and future water stress levels.</p>



## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

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#### Identifier

Risk 1

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type & Primary climate-related risk driver

Emerging regulation  
Carbon pricing mechanisms

#### Primary potential financial impact

Increased indirect (operating) costs

#### Company-specific description

METRO's operative business is dependent on energy and resources with annual energy costs of about 175,000,000€. To operate the stores, energy is needed, eg. for lighting and cooling. As 25% of METRO's assortment on shelves in stores needs to be cooled, cooling is needed to keep the food fresh and also be in line with hygiene requisitions. Also, to ensure a pleasant shopping experience at METRO the stores in respective geographical areas need heating in the winter time, and with this heating agents as gas or fuel.

National regulations that aim to decrease the climate impact of accumulated energy and fuel consumption could lead to a higher energy price level (e.g. electricity, gas, fuel) and therefore to higher energy costs for METRO if no counter-measures are taken.

For example, in Germany, with about 105 of entire 678 stores and a related high share of electricity consumption, new and altering apportionments take influence on the electricity price. Especially the EU Emissions Trading System (EU ETS) and Renewable Energy Act (KWKG and EEG) apportionment are getting stricter every year. Due to these additional price components alone our energy costs increased compared to the previous year. Due to the EU ETS, the available amount of emission allowances are getting less, and therewith more expensive. At the same time, the Renewable Energy Act (KWKG and EEG) impacts the usual grid mix price as this is used to cross-subsidize renewable energy investments, eg. installment of new PV systems. As renewable energy sources are subsidized via the grid mix energy costs, this does impact the energy costs for METRO, too.

The implementation of a carbon price will have an additional effect in the near future. In Germany, for example, a CO<sub>2</sub> tax of €25 per ton CO<sub>2</sub> was introduced on 1st January 2021 for the heat and transport sector.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

10.000.000

**Potential financial impact figure – minimum (currency)****Potential financial impact figure – maximum (currency)****Explanation of financial impact figure**

With METRO's annual energy consumption a 5% increase in energy price levels would cause about €10m of additional costs per year. This calculation is based on METRO's total energy costs of 200m€ per year. A 5% increase would lead to 10m€ of additional costs. The assumption of 5% cost increase was calculated in an internal scenario analysis based on past experiences and overall effects of energy regulations plus geographical differences in METRO's store network. Of the 678 total stores, 343 stores are based in the EU and therefore impacted by EU regulation. Based on this calculation, we currently estimate a risk of additional 5m€ costs for METRO Germany by 2025.

**Cost of response to risk**

40.000.000

**Description of response and explanation of cost calculation**

In order to both counteract rising costs and continue to improve the company's carbon footprint, METRO took the following measures:

- METRO AG Energy Management pursues an intelligent and flexibly structured purchasing strategy. METRO was able to keep company energy price increases at a moderate rate.
- To cut our energy consumption levels further, we pressed ahead with our energy-saving programmes and invested a double digit million € amount in technical improvements at all sales lines.
- Furthermore training and awareness rising programmes were set up.

Total costs equate 40 million € per year.

The costs for METRO AG Energy Management department equate a low single-digit million euro sum per year.

For example METRO Wholesale sales line invested almost 40 million € each year in energy-saving technology, e.g. refrigeration units, lighting and F Gas exit measures. METRO installed the first transcritical cooling system in stores in 5 stores in Russia, Poland and Bulgaria.

For the training and awareness rising programmes no significant additional costs occurred as they were conducted within existing structures.

Example/case study:

A prominent project is our METRO store in St Pölten, our first “zero-emission” store in timber construction which was awarded in 2018 by European Retail Institute. The building is designed for low energy consumption through its use of cooling technology, and by forgoing conventional ventilation as well as an air conditioning system in the main store space. The 9,000 m<sup>2</sup> photovoltaic system on the roof of the building produces around 1,100 MW of solar power per year, making METRO St Pölten self-sufficient in energy.

## Comment

### Identifier

Risk 2

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

### Primary potential financial impact

Increased capital expenditures

### Company-specific description

An increase in extreme weather events such as storms or floods can have a negative impact on METRO's business activity with financial implications depending on the extreme event. This could lead to business interruption and damage to assets (such as stores, warehouses) and stock (goods in stores and warehouses). Main business of METRO is stationary business with cash & carry wholesale stores. If these sites are not able to operate and not accessible to customers anymore. For example, floods became an occurring and repeating natural disaster event, e.g. in Pakistan. Some of the nine Pakistani stores are in direct exposure, i.e. close to water courses. Due to repair and maintenance reasons, store operations can be limited during the period of floods

recovery with an impact on loss of sales and revenue. Increased capex is then needed to repair damaged assets (stores / warehouses).

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

8.000.000

**Potential financial impact figure – minimum (currency)****Potential financial impact figure – maximum (currency)****Explanation of financial impact figure**

Financial implications depend on the number of specific extreme events and related damages. The estimated range on METRO group level is €10 million up to €50 million. The estimation of 8,000,000 is based on assumptions of how long stores have to be closed or are not able to work properly and related loss of sales due to direct damages to the store itself or to public infrastructure and stock losses.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

The energy supply of METRO stores can be affected by natural disasters such as floods or storms when the public electricity grid is disrupted by the disaster. The idea here is to make stores independent of general public energy supply in case of emergencies. Six of the nine Pakistani stores were equipped with a photovoltaic system as counter measure to become independent of grid energy in case of weather incidents such as storms or floods. In case of a natural disaster, trained staff is crucial to prevent further impact & damage to the stores and goods and to pick up business as usual as soon as possible to continue business. To manage natural disaster events recovery and business continuity plans and staff preparedness trainings are in place. Loss due to business interruption and damage to stock are covered by insurance cover. No significant additional costs related to climate change for insurance coverage and staff trainings.

**Comment**

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation

Mandates on and regulation of existing products and services

**Primary potential financial impact**

Increased capital expenditures

**Company-specific description**

Some countries like Spain introduced taxation/charges on the use of climate damaging refrigerants. The taxation leads to an increase of the expenditure for refrigerants. It is likely that other countries will follow with similar regulation. As about 25% of METRO's food assortment needs to be cooled, refrigeration is an important cost driver. Due to leakage refrigerants have to be refilled. But the risk might not be related to refrigerant related GHG emissions only. There is the risk of an overall CO2 tax or pricing. F Gas Regulation no 517/2014 leads in 2021 to the next step of phase out of refrigerants. It leads to strong price increasing for refrigerants with higher GWP – our estimation is also an effect to refrigerants with GWP <2,500 with an increase of +400%.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

8.000.000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The financial implication of this risk depend on the country specific taxation schemes to be introduce. For the example of Spain we face an increase by 400% for refilling costs due to the tax. Potential financial impact per year is estimated based on assumption of CO2 tax of 40€/t CO2 on emissions from leakage of cooling agents and the calculated emissions on country level within METRO's Carbon Accounting process (3rd party

verified by KPMG). The assumption is based on the annual CO<sub>2</sub> emissions by leakage of cooling agents in METRO Spain. The emissions data for Spain including cooling leakage data are reported on quarterly basis in METRO's carbon accounting database.

### Cost of response to risk

75.000.000

### Description of response and explanation of cost calculation

METRO has a strategy in place to replace refrigerants with high GWP (over 2500) by refrigerants with a lower GWP or even natural coolants. By doing so METRO adapts to the requirements from the EU regulation on refrigerants. The strategy is implemented in all countries METRO is doing business, not only in EU countries. In addition, we improved service and maintenance checks to reduce refill rate of refrigerants.

Example/case study: If technically & business case wide possible we replace coolants with high GWP by natural refrigerant CO<sub>2</sub>. In Japan, METRO replaces its R404A freezer cabinets with R290 plug-in systems at three of its Japanese wholesale stores. On group level we reduced GHG emissions related to refrigerant losses by 24% per square meter sales floor compared to base year 2011. These management activities cause additional costs of more than €150 million over the next years.

### Comment

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### Identifier

Risk 4

### Where in the value chain does the risk driver occur?

Upstream

### Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

### Primary potential financial impact

Decreased revenues due to reduced production capacity

### Company-specific description

Climate change increasingly alters precipitation patterns in some parts of the world. In Asia and Eastern Europe the occurrence of floods during harvesting period increases and often threatens or even completely destroys agricultural production. In Southern Europe and Northern Asia droughts cause crop failures. Negative effects of climate change on agriculture can lead to increased production costs and as a result, to increased prices in the fresh food segment. According to the „OECD-FAO Agricultural Outlook 2018-27“ prices for wheat will rise within the next ten years. Parts of this can be attributed to the effects of climate change (crop failures and devastations by extreme weather events). A significant share of METRO's food assortment (share of sales) is directly affected from rising commodity prices (pastries, pasta, poultry) or indirectly

(wheat based binding agents). In most EU countries where competitive pressure is high, this may cause declining sales for METRO.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

100.000.000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The financial impact is estimated to ~€100 million from reduced sales or increased purchasing costs according to the findings of the „OECD-FAO Agricultural Outlook 2018-27“.

**Cost of response to risk**

20.000

**Description of response and explanation of cost calculation**

In many countries (e.g. Pakistan, India, Turkey) METRO supports local suppliers in producing high-quality agricultural products. This includes training programmes in modern and resource-saving farming methods and quality assurance by proper cooling chain that significantly reduces the amount of spoiled products and therefore saves resources. In return, METRO can rely on a network of local resources in order to supply people in the local community with local products. Ususally, these products come with a price increase. The 20,000€ costs of response is an assumption on the margin-investment by METRO for locally produced food products, based on experiences in the assortment procurement.

Example/case study :

METRO Bulgaria developed its new fruit and vegetable assortment by locally sourcing 150 fruit and vegetables articles produced by small Bulgarian farmers, for example an old Bulgarian breed, the pink tomato. The project's name represents what it stands for: “Nurtured with care in Bulgaria”. More than 200 local farmers deliver directly to 11 METRO stores, enabling us to offer our customers fresh, authentic and quality food. We

are supported by scientific organisations, helping farmers to meet METRO's quality and safety standards.

**Comment**

Risk 4 is just one example of physical risks from climate-change related to resources availability in our supply chain. There are further risks related to other commodities or risk drivers.

**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Chronic physical  
Rising mean temperatures

**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Company-specific description**

As a wholesale company focusing on the gastronomy and hospitality sector, the Hotels, Restaurants and Catering (HoReCa) customers are the biggest turnover contributor for METRO. These customers are, especially in main touristic regions, directly linked to tourism activities. A lot of METRO stores are located in Southern Europe, especially in countries by the Mediterranean sea: 258 out of 678 stores overall are located in France, Spain, Portugal, Italy, Bulgaria, Croatia, Serbia and Turkey.

According to climate science, this region may see a strong increase in temperature and of heat waves and droughts in Summer months. These can lead to decreased tourism in this region and a diversion of tourism flows towards Northern countries - resulting in decreased business for METRO's customers and thus in a reduced METRO turnover.

**Time horizon**

Long-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**



38.000.000

**Potential financial impact figure – maximum (currency)**

300.000.000

**Explanation of financial impact figure**

A calculation of the reduced turnover in HoReCa segment in focus markets for METRO in Southern Europe: France, Spain, Portugal, Italy, Bulgaria, Turkey, Croatia, Serbia. The impact was calculated based on the turnover of the countries (which is not reported publicly on country level). The minimum range estimates sales impact of one country during one season affected, summed up for the maximum of all 8 countries potentially affected make up the maximum range of 300.000.000

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

The long-term management of this risk is included in METRO's regular strategy process, on group- and also on country-level. Within the country specific Value Creation Plan (VCP) a 5 year financial planning also includes the development of the countries customer base and business, and the impact of the local METRO Wholesale business model. Annually, the VCP is reviewed and adapted if needed. After the 5 year period, a new VCP is set up and evaluated.

In 2020, the impact of COVID-19 on tourism in Mediterranean countries showed actual reduced turnover due to less tourism activities. This is evaluated at corporate level currently and will be included and form a part of the further strategic decisions how to mitigate similar risks.

More on cost calculation:

There is no additional or specific cost of answer to this risk as the mitigation is included in METRO's regular strategy process. The specific team of strategy managers on country entity level consists per average of 2 FTE, the dedicated corporate VCP team of 3 FTE. Personal expenses for the 5 FTE sum up to 500.000€ but are not dedicated to managing only this specific task.

**Comment**

**C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

Systematically identifying and communicating opportunities is an integral part of METRO's corporate management.

We conduct macroeconomic analyses, study relevant trends and evaluate market, competition and locality analyses. We also analyse the critical success factors of our business models and the relevant cost drivers of our company. The Management Board of METRO AG specifies the derived market and business opportunities as well as efficiency enhancement potential in the context of strategic as well as short-term and medium-term planning. It does so by engaging in a regular dialogue with the management of the group companies and units at the central holding company. As a company, we pursue market- and customer-driven business approaches in this process and continually review our strategy to ensure long-term sustainable growth.

Countries that have to meet national climate targets (Nationally Determined Contributions -NDCs) will improve the overall climate efficiency of their power plant fleet. This will reduce the GHG emissions of the electricity grid mix and will reduce METRO's climate impact deriving from electricity consumption (scope 2) significantly. About 25% of the company's carbon footprint derives from indirect energy consumption. METRO would therefore be positively affected by these developments. Subsequently the planned measures for achieving METRO's own carbon reduction target consider the projected change in the electricity mix in the countries we operate. This is expected to reduce investments in GHG emissions reduction projects, like energy saving or own renewable energy projects.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

1.000.000

**Potential financial impact figure – maximum (currency)**

5.000.000

**Explanation of financial impact figure**

Estimated with a range of one to five million € less investment in energy saving programs based on projections of national grid mixes, assumptions about METROs future electricity demand and related lower demand for investments in own reduction measures.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

Systematically identifying and communicating opportunities is an integral part of METRO's corporate management.

We conduct macroeconomic analyses, study relevant trends and evaluate market, competition and locality analyses. We also analyse the critical success factors of our business models and the relevant cost drivers of our company. The Management Board of METRO AG specifies the derived market and business opportunities as well as efficiency enhancement potential in the context of strategic as well as short-term and medium-term planning. It does so by engaging in a regular dialogue with the management of the group companies and units at the central holding company. As a company, we pursue market- and customer-driven business approaches in this process and continually review our strategy to ensure long-term sustainable growth.

METRO supports national efforts to achieve national climate targets and improve climate efficiency by its activities with politics and associations. For example in 2015 METRO signed together with other retailers a declaration of German Retailers calling the government to foster climate protection to keep global warming below 2 degrees Celsius in advance of the Paris negotiations. Also in 2017 we signed a declaration by German industry to the newly elected German government to take climate protection serious and provide proper regulation as framework. Being a member of the Electric Vehicle 100 (EV100) initiative METRO committed itself to further expand its support for electric logistics and mobility in general.

Globally, METRO installed more than 460 charging stations mostly accessible to its customers, employees and the public. METRO Netherlands, Austria and France are using EV for its delivery fleet. For employees, the fleet management car policy of METRO AG is supporting EV & plug-in hybrids.

No additional significant costs occur because activities are part of METRO's dialogue with politics and associations.

## Comment

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### Identifier

Opp2

### Where in the value chain does the opportunity occur?

Direct operations

### Opportunity type

Resource efficiency

### Primary climate-related opportunity driver

Other, please specify  
decreased energy demands

### Primary potential financial impact

Reduced indirect (operating) costs

### Company-specific description

The IPCC forecasts that temperature regimes may change significantly (IPCC 4th assessment special report - Global Warming of 1.5 °C). Rising mean temperatures will lead to shorter and/ or milder winter periods in some regions. This will result in decreased heating energy demands. Regarding METRO's business activities stores in Russia, Ukraine, Kazakhstan and China (equals more than 200 stores) may be affected. METRO recognizes that the effects of climate change like altered temperature regimes have mostly adverse effects (like droughts, floods, etc. in many other regions) and is therefore fully dedicated to curb emissions and fight climate change.

Our company is more exposed than ever to economic, environmental, social and cultural challenges. Similarly, we experience that sustainability is the key to transforming these challenges into opportunities. METRO operates an active sustainability management system in order to enshrine sustainability systematically and organisationally in its core business

European regulatory initiatives to promote energy efficiency present opportunities for METRO to achieve better environmental performance and cost savings as well. Energy is an important part of METRO's operational costs, reducing its consumption may thus contribute to the competitiveness of stores. METRO has launched an energy reduction plan for the period from base year 2011 until 2030 and worked on several energy efficiency sub-projects in order to compensate energy inflation. As a result the ratio of energy consumption by square meter is decreasing from 460 in 2018 to 389 kWh per square meter sales floor and delivery area in 2020. Also, energy costs are decreasing to 175,000,000 in 2020.

### Time horizon

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

10.000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The financial impact is estimated based on experienced decrease in demand for heating in some stores during the last years.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

To answer this opportunity METRO is adapting its building requirements for sales locations. In Spain and Portugal (equals 47 stores) the heating systems of the METRO Wholesale stores were shut down. In the context of scheduled store renovations in the above mentioned countries the possibility to downscale newly installed heating systems will be assessed on the basis of last year's store-specific consumption data and analyses of national weather data.

In all store remodellings, new transcritical CO<sub>2</sub> equipment for heat recovery is installed as standard to use the produced heat for store heating and warm water. To realize the opportunity no significant additional costs occur as it is part of the general and regular efficiency process.

**Comment**

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Shift in consumer preferences

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Our company is more exposed than ever to economic, environmental, social and cultural challenges. Similarly, we experience that sustainability is the key to transforming these challenges into opportunities. METRO operates an active sustainability management system in order to enshrine sustainability systematically and organisationally in its core business.

Changing consumer behaviour regarding climate change can have positive effects on METRO's business. METRO is selling household, as well as commercial electrical appliances, like refrigerators or washing machines. As the overall energy price level rises customers may be more willing to replace older inefficient appliances. Additionally, the preparedness to spend more money on the acquisition of products and to profit from lower operating costs may lead to higher turnover in the sales of such products. METRO is well prepared to attract additional business to its well know stores and to deliver the necessary advice to sell such products. METRO benefits from the related margin, for example turnover from energy efficient appliances (EU energy efficiency class A++ or better).

**Time horizon**

Short-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

100.000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

As an increasing share of customers is willing to pay premiums for sustainable products this may lead to higher turnovers. METRO benefits from through the related margin, for example turnover from energy efficient appliances (EU energy efficiency class A++ or better). Based on current appliance sales in relevant markets, we assumed a low-

percentage increase due to the drivers outlined above, and estimated the expected additional revenues.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

Many upcoming market shifts, in this case changing consumer preferences, can be a risk for a company like METRO - but proactive sustainability management can also transform those topics in opportunities. METRO does that by supporting its customers to make climate friendly purchasing decisions by providing corresponding information. This serves also to distinguish METRO against its competitors in view of the customer.

To identify new consumer trends and sales potentials, METRO analyses general consumer polls on sustainability and climate change, e.g. done by Nielsen.

As a consequence at all sales lines we offer a wide range of energy efficient appliances and inform customers about life cycle costs of large electrical appliances (e.g. stoves, refrigerants).

METRO highlights products and services that are less likely to have a negative impact on the environment than standard products and bring energy saving information to the forefront (instore, in print, online and on our own corporate website) so that our customers can easily understand what impact they can have on reducing GHG emissions simply by choosing the right products or services. For example, METRO leverages the EU energy labeling currently.

On our online shopping platform [www.metro.de/marktplatz/](http://www.metro.de/marktplatz/), we provide extensive information guides for different household appliances, like fridges, where energy efficiency categories are explained, and tips for efficient operation are provided. Offered articles can be filtered by efficiency rating. Regarding fridges, for example, about 2/3 of the offered appliances have a rating of A++ or better. See <https://www.metro.de/marktplatz/c/gastronomietechnik> for an example.

As market studies and consumer surveys are part of METRO's ongoing business intelligence activities, no additional significant costs occur. Also for customer information measures no significant additional costs occur as these measures are integrated into the standard advertising processes and trainings for sales staff.

**Comment**

**Identifier**

Opp4

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Other, please specify

Access to investors

**Primary potential financial impact**

Increased access to capital

**Company-specific description**

As a stock-listed company in Germany, METRO is dependent on investors and their willingness to buy company shares. To engage investors and analysts, the corporate department Investor Relations manages the dialogue with these stakeholders. In the past 2-3 years, ESG topics became increasingly important to investors decisions in investing in METRO. Due to this development, Investor Relations focuses more and more on ESG information on METRO to convince investors of investing in METRO shares by presenting a proven future-resilient and sustainable business-model. This creates an additional opportunity for METRO to gain extra capital.

Strong results in ESG ratings and inclusion in ESG indices (DJSI etc.) are confirmations of this engagement and make METRO an investment of choice for ESG-oriented investors.

Our company is more exposed than ever to economic, environmental, social and cultural challenges. Similarly, we experience that sustainability is the key to transforming these challenges into opportunities. METRO operates an active sustainability management system in order to enshrine sustainability systematically and organisationally in its core business. Our stakeholders evaluate the measures implemented by us, for example, through ratings. In financial year 2019/20, METRO dropped to second place in the Food & Staples Retailing group in the internationally important Dow Jones Sustainability Index World after 4 consecutive years as the best in the industry. In the Dow Jones Sustainability Index Europe, we were ranked second in the industry.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**



**Explanation of financial impact figure**

The financial impact depends on how many shares the investors acquire. This is not in detail public or shared with METRO. Based on past experiences with investors and decisions METRO can assume that these movements and following investment decisions are based on ESG information METRO shared with the respective investor.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

Together with experts from the Corporate Responsibility department, the team of Investor Relations is informing investors of METRO's ESG strategy and activities. METRO AG understands Investor relations as an ongoing and focused communication process with institutional and private investors as well as financial analysts comprising the Group's strategy and its past, present and future business development.

Mission of Investor Relations:

Transparency, reliability and trust are major drivers for creating value. Investor Relations manifests these values in its dialogue with the capital market. Therefore Investor Relations is an integral and significant part of the corporate strategy.

Dealing with analysts and investors long term oriented Investor relations activities lead to a fair valuation of the company at the capital markets. Further objectives are:

- equity can be raised anytime on best market terms
- stock price volatility and thus the cost of capital are reduced, and
- the company has a sound, solid and professional stockholder structure.

Together with experts from the Corporate Responsibility department, the ESG communication strategy within Investor Relations as been strengthened, including overall information of METRO's sustainability activities which is used in bilateral talks with financial stakeholders, ESG conferences and METRO hosted Analyst-/Investor Meetings. To demonstrate progress in ESG criteria, METRO refers to its ranking in different ESG ratings, or refers to specific company-relevant KPIs, such as emission reductions or an increased sustainable assortment. Next to basic ESG information provided, the teams also answer individual investor or analyst requests.

More about cost calculation:

The ongoing dialogue with Investors on ESG criteria is a part of the daily work of the teams Investor Relations and Corporate Responsibility. Therefore, no additional costs occur.

**Comment**

**Identifier**

Opp5

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Other, please specify

Access to capital by ESG-linked credits

**Primary potential financial impact**

Increased access to capital

**Company-specific description**

METRO AG is using different financial instruments to acquire capital, eg. syndicated credit loans. METRO has been looking into possibilities to link interest rates of eg. credits to METRO's ESG performance. The willingness of financial institutions for this is rising and creating more opportunities for METRO and creates an extra access to capital provided by banks.

For example, METRO could aim for a loan with lower interest rates because it is linked to ESG performance. KPIs to measure that performance could either be a rank in a specific ESG rating or defined KPIs such as a decreasing plastic footprint, reducing CO2 emissions and meeting its climate targets or increasing the share of renewable energy measures.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

300.000.000

**Potential financial impact figure – maximum (currency)**

600.000.000

**Explanation of financial impact figure**

Based on experience and general information on ESG-linked loans or bonds this range of the potential financial impact shows the size of opportunity. The financial impact figure shows the overall potential figure of a new bond or loan or credit METRO could apply for, not the added value by ESG-linked and by this smaller interest rates.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

METRO is in constant dialogue and cares for relationships with financial institutes managed by the Corporate Treasury and Investor Relations departments. The Corporate Treasury department is the central competence, support and service partner within the Group for all treasury related tasks or questions, and is responsible for the Group's financial results. As a central treasury service center, it relies on extensive standardization to enable transparent, efficient, secure and highly automated processes based on a modern system landscape. The department ensures that short- and long-term liquidity for METRO AG and its subsidiaries is available at all time. For this purpose Corporate Treasury uses various instruments on the capital and banking markets. Furthermore the team maintains communication with banks, outside creditors and rating agencies and is responsible for interest rate and currency risk management. In this process, sustainability topics are taken into account where useful and applicable, in close alignment with the Corporate Responsibility department.

More on cost calculation:

The analysis of ESG-linked bonds / -loans is part of the departments' regular processes and daily work. Therefore, no additional cost to realize this opportunity occurs.

**Comment**

## C3. Business Strategy

### C3.1

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

### C3.1a

**(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?**

Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment

Row 1	No, but we intend it to become a scheduled resolution item within the next two years	Experiences in the feedback and discussions with shareholders in the Annual General Meetings of METRO AG over the past years, show that the interest in the topic of overall sustainability and management linked to sustainability decisions of the company has increased. This includes the climate impact and climate target related actions of METRO.
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## C3.2

### (C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

## C3.2a

### (C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS	<p>Input: Based on the 2DS scenario METRO defined an approved science based target.</p> <p>Analytical Method of this Scenario Analysis</p> <p>Based on the 2DS scenario METRO defined a science based target, which has been approved by the SBTi. The target year was defined based on common global targets and within a reasonable and tangible time-frame for METRO's business. The areas of boundary of this target are not limited within METRO. All subsidiaries in all countries that METRO operates in are included:                      "METRO AG commits to reduce Scope 1 and 2 GHG emissions 60 % per sqm selling and delivery space by 2030 from a 2011 base-year.                      METRO AG further commits to reduce absolute Scope 3 GHG emissions 15 % by 2030 from a 2018 base-year."</p> <p>Assumptions: Physical risks deriving from extreme weather events and water stress as well as transition risks such as rising prices for GHG emissions (with immediate and ongoing impact on cost and prices for products) and from resource scarcity (with impact on prices for agricultural products within 5-10 years) or upfront investments in new Technologies (climate neutral cooling equipment planned until 2030) and renewables production (installation of photovoltaics planned until 2030) have been identified as the main climate-related risks in our supply chain and our own operations. Disruption due to extreme weather and shrinking economic prosperity could cause risks for our customers and thus for our sales.                      We consider these risks in our mid-term risk management and estimate sales</p>

	<p>and costs related risks taking into account rising prices and shrinking availability of resources.</p> <p>Strategic decision and case study: A budget for investments for climate-neutral refrigeration have been approved for the period 2017-2030.</p> <p>Process:</p> <ol style="list-style-type: none"> <li>1 Climate-related risks are part of our risk management and thus part of our governance. - already integrated in risk management process, both qualitative and quantitative</li> <li>2 We assess materiality of climate-related risks (focused both on physical and transitional risks) - significant impacts identified</li> <li>3 We evaluate business impacts - detailed scenario analysis will be performed during the above mentioned pilot project, performed already focused on energy price development</li> <li>4 We identify possible responses - e.g. committed to define a Science Based target, just handed in to the SBTi for approval, Energy Saving Measures, F-Gas exit, own energy production by photovoltaics</li> </ol> <p>We do report on this analysis in our public available CDP Response.</p> <p>Based on the identified risks METRO not only defined a climate protection target (SBT) and is measuring and reporting about the progress, but also implemented concrete measures to reduce GHG emissions, such as Energy Saving Program, Energy Awareness Program, F-Gas Exit Program, own production by photovoltaics, signed the EV100 initiative to promote electronic vehicles, uses electronic vehicles for customer delivery in some bigger cities.</p> <p>METRO is making use of an internal carbon price, which was originally defined at 25€ and has been lifted to 50€.</p> <p>We are currently conducting a climate-related scenario analysis on the climate-related shifts to be expected in METRO's fruit &amp; vegetable supply chain.</p>
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### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Based on our latest materiality survey (conducted with several internal and external stakeholder feedback), a more sustainable assortment is one of 3 key strategic areas of METRO's sustainability strategy focusing until 2030. We are convinced that customer expectation regarding sustainability will increase in general. The public debate

		<p>about climate change has increased awareness of customers. As the climate impact of consumer goods is increasingly well-known, customers demand more climate-friendly products and retail companies need to contribute to the reduction of product-related carbon emissions . Therefore, METRO offers “more climate-friendly” products, e.g. energy efficient household appliances. Furthermore, METRO sources fresh food products largely locally.</p> <p>For example, we see an increased demand for food products from local production, which is also related to shorter distances between supplier and store. We therefore offer our customers an increased portfolio of local food products, for example this portfolio results in 18.3 million € turnover at sales line METRO Wholesale only in Germany.</p> <p>Also, another concrete decision in this field has for instance been to focus on the introduction of energy efficient household appliances to METRO's range of goods.</p>
Supply chain and/or value chain	Yes	<p>Among several others, one long-term strategy element until 2030 is the adaptation of food procurement. Based on our latest materiality survey (conducted with several internal and external stakeholder feedback), various topics such as our climate target, Human Rights in the supply chain and resource protection are key strategic areas of METRO's sustainability strategy focusing until 2030. To meet these targets, an integrated approach with supply chain actors is a vital part. We aim to keep procurement structures flexible, to develop a centralised procurement approach of certain products until 2020 (e.g. citrus fruits). This will help us to react to local crop failures and to build a stable logistics network with the flexibility to cope with frequent changes of procurement paths. This will enhance the resilience of our procurement against physical climate impacts.</p> <p>For example, with the CDP Supply Chain Program METRO assesses its major suppliers on their impact on Climate, Water and Forest-related issues. In 2020, almost 170 suppliers were surveyed on the three topics.</p>
Investment in R&D	Yes	<p>Based on our latest materiality survey (conducted with several internal and external stakeholder feedback) and strategy set up, the topic of so-called "Conscious Proteins" is one of 3 key strategic areas of METRO's sustainability strategy focusing until 2030. In order to fulfill the protein needs of future generations and enable our customers to differentiate themselves, METRO will contribute to the</p>

		<p>innovation and transformation of the use of conscious proteins: For METRO, conscious protein means a diverse source of protein i.e. conventional proteins obtained from animals raised to e.g. high welfare standards or with reduced environmental impact and less GHG emissions in producing meat and animal feed such as soy, as well as alternative proteins including insects, plant based and cell grown. We will partner with relevant stakeholders and use the latest scientific knowledge to understand what a diverse balance of proteins looks like from production through to the plate.</p> <p>For example, METRO was the first retail/wholesale company in Europe to import and sell the meat alternative burger of "Beyond Meat". METRO was able to increase sales in 10 European countries with this product. And also shift sales from meat products (including massive GHG emissions linked to the production) to this plant based alternative.</p>
Operations	Yes	<p>Based on our latest materiality survey (conducted with several internal and external stakeholder feedback), mitigating climate change is one of 3 key strategic areas of METRO's sustainability strategy focusing until 2030. METRO invests in energy efficiency, conserves resources and avoids waste. This proves our commitment to protecting the climate and the environment as well as reducing costs and meeting legal requirements. Supporting our customers in doing the same triggers true leverage for change.</p> <p>The climate change strategy does help to improve the management of costs (e.g. keep energy costs at current level despite of overall increasing energy costs), to contribute to higher flexibility and to increase our market share and reputation. Our strong international presence allows realizing synergies, to cope with the effects of climate change more effectively and to react to changes more quickly than our competitors.</p> <p>The most important components of the short (&gt;1 year) and mid (1-3 years) term that have been influenced by climate change are focused on the optimization of operational processes with regard to energy efficiency and GHG emissions. New locations are systematically equipped with energy saving technologies (smart meters, heat recuperations if a certain economic viability is met, closed design deep freezer units) and the minimization of distance</p>

		<p>to distribution centers has to be considered during the planning of new locations.</p> <p>For example, the Corporate Energy Management team does help the local Technical Operations teams (responsible for all store-related issues and maintenance incl. energy and cooling agents) in tendering and procurement of energy, including renewable energy alternatives.</p> <p>The most substantial strategic decision made in this area in the last year has been to raise the internal carbon price used to guide investment decisions in store operations maintenance to 50€.</p>
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### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures	<p>Impacted: The local country organizations of METRO Wholesale considered various and individually different, locally relevant climate-related risks and opportunities in their mid-term strategic planning (Value Creation Plans) of the next 5 years.</p> <p>For specific locations, physical climate risks can potentially lead to business interruptions, e.g. for stores impacted by flooding or by heavy precipitation events. These events can lead to decreased revenues if stores need to be closed for a considerable time.</p> <p>For example, locally sourced and more climate-friendly products due to shorter transportation and logistics, result already in 18.3 million € turnover at METRO only in Germany.</p> <p>Also, there is a dedicated budget of 10,000,000€ for operating costs, e.g. costs related to Energy Management Department which coordinates purchase of energy and Energy Saving Programs/ Energy Awareness Programs to reduce energy related costs .</p> <p>Costs for Energy Management Department equate a low single-digit million euro sum.</p> <p>There is a dedicated budget for investments in our Energy Saving Programs and Energy Awareness Programs to reduce energy related costs.</p> <p>We invest about 27 million € each year in measures to reduce our own carbon footprint with budgets expected to rise.</p>



	<p>For compliance with the EU Regulation on cooling agents we invest more than 648 million € until 2030. This is a significant share of total CAPEX/OPEX.</p> <p>Planning of acquisitions and divestments are areas that are affected neither by potential impacts, nor by management methods regarding the identified risks and opportunities.</p> <p>We support our access to the capital markets by engaging in regular dialogue with credit investors and analysts. Our Creditor Relations Team presents our company to all key European financial markets during its annual roadshow. Moreover, credit investors and analysts can learn about METRO's impressive capabilities in face-to-face meetings and on guided factory tours. Access to capital is an area that is affected neither by potential impacts, nor by management methods regarding the identified risks and opportunities .</p> <p>For example increased risk of extreme weather events leads to increased costs for adaptation at stores which are at high risk from flooding. This impacted our business by higher insurance premiums or building protection measures of some 10,000 €, which is low share of total annual CAPEX/OPEX.</p> <p>Planning regarding liabilities is an area that is affected neither by potential impacts, nor by management methods regarding the identified risks and opportunities.</p> <p>We see increasing expectations by our stakeholders regarding sustainability in general, including requesting contribution to a low-carbon economy. We therefore, for example, have considered a dedicated budget for investments in measures to reduce our own carbon footprint.</p> <p>An increase in extreme weather events such as storms or floods can have a negative impact on METRO's business activity with financial implications depending on the extreme event. Stores might be affected by natural disasters, especially flooding (e.g. Pakistan). This would lead to business interruption and damage to assets and stock. For example increased risk of extreme weather events leads to increased costs for adaptation at stores which are at high risk from flooding .</p> <p>This impacted our business by higher insurance premiums or building protection measures of some 10,000 €, which is low share of total CAPEX/OPEX.</p>
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### C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Both absolute and intensity targets

#### C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

---

**Target reference number**

Abs 3

**Year target was set**

2018

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3 (upstream)

**Base year**

2018

**Covered emissions in base year (metric tons CO<sub>2</sub>e)**

26.508.095

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2030

**Targeted reduction from base year (%)**

15

**Covered emissions in target year (metric tons CO<sub>2</sub>e) [auto-calculated]**

22.531.880,75

**Covered emissions in reporting year (metric tons CO<sub>2</sub>e)**

24.953.698

**% of target achieved [auto-calculated]**

39,0923854267

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science-Based Targets initiative

**Target ambition**

Well-below 2°C aligned

**Please explain (including target coverage)**

Target relates to emissions from:

1. Purchased goods and services
2. Capital goods
3. Fuel and energy related activities
4. Upstream transportation & distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets

## C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

---

**Target reference number**

Int 1

**Year target was set**

2018

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1

**Intensity metric**

Metric tons CO<sub>2</sub>e per square meter

**Base year**

2011

**Intensity figure in base year (metric tons CO<sub>2</sub>e per unit of activity)**

0,114

**% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

100

**Target year**

2030

**Targeted reduction from base year (%)**

63,9

**Intensity figure in target year (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

0,041154

**% change anticipated in absolute Scope 1+2 emissions**

59

**% change anticipated in absolute Scope 3 emissions**

15

**Intensity figure in reporting year (metric tons CO<sub>2</sub>e per unit of activity)**

0,084436

**% of target achieved [auto-calculated]**

40,584246218

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

Well-below 2°C aligned

**Please explain (including target coverage)**

Target contains carbon emissions from fuel combustion in heating plants, company cars and trucks; cooling agent leakages in cooling plants; use of emergency power units. Heat provided by commercial centers is also reported in Scope 1. We refer to square meter sales floor and delivery space as metric as we see this as the most appropriate metric for retail business.

---

**Target reference number**

Int 2

**Year target was set**

2018

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 2 (location-based)

**Intensity metric**

Metric tons CO<sub>2</sub>e per square meter

**Base year**

2011

**Intensity figure in base year (metric tons CO<sub>2</sub>e per unit of activity)**

0,199

**% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

100

**Target year**

2030

**Targeted reduction from base year (%)**

57,1

**Intensity figure in target year (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

0,085371

**% change anticipated in absolute Scope 1+2 emissions**

60

**% change anticipated in absolute Scope 3 emissions**

15

**Intensity figure in reporting year (metric tons CO<sub>2</sub>e per unit of activity)**

0,128914

**% of target achieved [auto-calculated]**

61,6796768431

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

Well-below 2°C aligned

**Please explain (including target coverage)**

Target contains carbon emissions from purchased electricity, district heating and district cooling. So far all scope 2 emissions are calculated using the location based method.

We refer to square meter sales floor and delivery space as metric as we see this as the most appropriate metric for retail business.

We have derived values for the Science Based Target from the Sectoral

Decarbonisation Approach for retail, which is based on values for the sector services / commercial buildings for comparisons with our internal target.

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

### C4.2a

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

---

**Target reference number**

Low 1

**Year target was set**

2015

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

kWh

**Target denominator (intensity targets only)**

**Base year**

2015

**Figure or percentage in base year**

0

**Target year**

2030

**Figure or percentage in target year**

60.000.000

**Figure or percentage in reporting year**

14.124.500

**% of target achieved [auto-calculated]**

23,5408333333

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Partly. This target is supporting the aim to reduce CO2 emissions from non-renewable energy sources by shifting to renewable energy. The target helps to decrease Scope 2 emissions.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Our ambition is to increase our share of own generated green electricity by installing PV systems at all our stores where it is economical and technical feasible. Our target for 2030 is to have a minimum of 50.000kWp (60.000.000kwh) capacity installed on our roofs and carports.

We are on track in reaching our target in 2030 as our investment strategy for PV systems is running according to plan, and foresees an increased ramp up over the next 3 years with 10.000.000kwh per year. By end of 2023, we plan to have increased the capacity to 45.000.000kwh.

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**Target reference number**

Low 2

**Year target was set**

2017

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

MWh

**Target denominator (intensity targets only)**

**Base year**

2017

**Figure or percentage in base year**

0

**Target year**

2030

**Figure or percentage in target year**

1.000

**Figure or percentage in reporting year**

550

**% of target achieved [auto-calculated]**

55

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

This target is supporting the decrease of emissions from non-renewable fuels of METRO's company cars. It is therefore supporting METRO's climate target.

**Is this target part of an overarching initiative?**

Other, please specify

EV100

**Please explain (including target coverage)**

Roll out of E-Mobility Infrastructure: In September 2017, METRO AG, together with other international corporations, joined the Electric Vehicle 100 (EV100) Initiative. The aim of this initiative is to promote electric mobility. #EV100 was founded by the Climate Group, an international association of regions and companies committed to an active climate policy. By joining the EV100 initiative, METRO has committed itself to the expansion of electric charging infrastructure, e.g. at the METRO Campus in Düsseldorf as well as at the local parking lots of the METRO stores in all countries METRO Wholesale is active in. In addition, the wholesale specialist wants to promote e-mobility in the company's own fleet.

METRO currently offers 550 charging points. More than 500 charging points are



distributed across the parking lots of METRO and MAKRO stores in Germany, Austria, France, Belgium, the Netherlands, Italy, Spain, Hungary, Bulgaria, Ukraine and China. Until 2030, the expansion of the charging infrastructure is to be continuously advanced. METRO will then make more than 1,000 charging points available to its customers. An absolute added value for METRO customers: METRO TopCard customers can recharge their e-cars free of charge. In most cases, the average time spent shopping at METRO is sufficient for recharging a car. The electricity comes – where feasible – from photovoltaic systems on the roofs of the stores.

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**Target reference number**

Low 3

**Year target was set**

2015

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Intensity

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Low-carbon energy source(s)

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

square meter

**Base year**

2011

**Figure or percentage in base year**

100

**Target year**

2030

**Figure or percentage in target year**

62

**Figure or percentage in reporting year**

65

**% of target achieved [auto-calculated]**

92,1052631579

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

yes, this target is included in METRO' group-level climate target and approved science based target.

**Is this target part of an overarching initiative?**

Science-based targets initiative

**Please explain (including target coverage)**

Reduction of electricity Metro Wholesale per m2 operational area

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**Target reference number**

Low 4

**Year target was set**

2015

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Intensity

**Target type: energy carrier**

Cooling

**Target type: activity**

Consumption

**Target type: energy source**

Low-carbon energy source(s)

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

square meter

**Base year**

2011

**Figure or percentage in base year**

100

**Target year**

2030

**Figure or percentage in target year**

10

**Figure or percentage in reporting year**

76

**% of target achieved [auto-calculated]**

26,666666667

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

yes, climate target and science based target METRO AG

**Is this target part of an overarching initiative?**

Science-based targets initiative

**Please explain (including target coverage)**

Reduction of Emission from Refrigerants per m2 operation area, 90% reduction of emissions per operation area until 2030 based on 2011

### C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	4	45.500
Not to be implemented	0	0

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

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### Initiative category & Initiative type

Low-carbon energy generation  
Solar PV

### Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)

1.600

### Scope(s)

Scope 2 (location-based)

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)

100.000

### Investment required (unit currency – as specified in C0.4)

0

### Payback period

4-10 years

### Estimated lifetime of the initiative

16-20 years

### Comment

The figures above refer to the following calculation:

In the reporting year about 6.295 kWp were installed. Estimating that these have generated energy for 6 months, that relate to 3.150 mwh of electricity and 1.600t CO<sub>2</sub> savings.

The cost savings relate to approximately 10.000 Euro savings per Photovoltaic system with 10 new systems installed.

We install solar PV systems via two models without installing them ourselves: Either via a leasing model where METRO rents the system installed by a provider, or via an energy provider who installs and owns the system, and then sells the energy generated to METRO. In several countries where we use PV systems as a leasing-model no direct investment costs occur and we do not calculate a payback period. If we would calculate a payback period it would sum up to 10-15 years. In both cases, the occurring costs are handled as OPEX (operational expenses).

Our ambition is to increase our share of own generated green electricity by installing PV

systems at all our stores where it is economical and technical feasible. Our target for 2030 is to have >50.000kWp installed on our roofs and carports.

**Initiative category & Initiative type**

Energy efficiency in buildings  
Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

11.900

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

2.900.000

**Investment required (unit currency – as specified in C0.4)**

11.000.000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Usual average payback period is 3.8 years.

To cut our energy consumption levels further, we pressed ahead with our Energy Saving Programs (ESP) at our sales line METRO Wholesale as well as at METRO Properties, and invested in technical improvements. Examples are changing store illumination to LED, installing energy-efficient ovens for our in-store bakeries, fitting glass doors to chiller cabinets or installing heat recovery systems. .  
ESP initiative covers a wide range of investments in technical energy saving measures. The individual projects lifetime range from a couple of years, through more than 30 years.  
In Russia 19 METRO stores have been equipped with LED lightings.

**Initiative category & Initiative type**

Company policy or behavioral change  
Resource efficiency

**Estimated annual CO2e savings (metric tonnes CO2e)**

7.000

**Scope(s)**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

1.320.000

**Investment required (unit currency – as specified in C0.4)**

1.000.000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Our Energy Awareness Programs (EAP) are designed to train and encourage employees to use energy more efficiently.

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**Initiative category & Initiative type**

Fugitive emissions reductions

Other, please specify

F-Gas Exit Program

**Estimated annual CO2e savings (metric tonnes CO2e)**

25.000

**Scope(s)**

Scope 1

**Voluntary/Mandatory**

Mandatory

**Annual monetary savings (unit currency – as specified in C0.4)**

1.700.000

**Investment required (unit currency – as specified in C0.4)**

27.500.000

**Payback period**

16-20 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Convert commercial refrigeration systems to natural refrigerants like CO2 or at least to refrigerants with GWP lower 2500. The exchange of cooling agents is a key component of our F-Gas-Exit Strategy to comply with EU Directive on fluorinated greenhouse gases as well as with our commitment to the Consumer Goods Forum (CGF ) Board Resolution on Refrigeration. We exchange cooling agents within the EU countries (mandatory) as well as in other countries METRO is active in (voluntary). With the new refrigeration systems we are able to 1) reduce our costs + emissions from refrigerant refills 2) our energy consumption 3) our repair and maintenance costs.

### C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	For example: European and national regulations require operators of certain refrigeration systems to minimize leakage of refrigerants. The EU Regulation (EC) No 2037/2000 defines a phase-out process for HCFC refrigerants that has begun 2010. The EU regulation (EC) No 842/2006 regulates leakages rates for HFC refrigerant systems. In Germany the “Chemikalien-Klimaschutz-Verordnung” also regulates leakages rates for HFC refrigerant systems. Also, the Energy Performance of Buildings Directive – EPBD by now effective in Germany, is impacting METROs real estate strategy.
Dedicated budget for energy efficiency	METRO designated a dedicated budget to realize energy efficiency improvements. At all sales lines Energy Saving Programs are in place. Energy efficiency measures are authorized when their payback period is less than five years.
Dedicated budget for other emissions reduction activities	There is a dedicated budget for remodelling cooling facilities (F-Gas Exit Strategy). Remodelling measures are prioritised based on age and leakage rate of the cooling facilities.

### C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

### C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Biodegradable non-food products especially for take-away and to-go snack gastronomy, such as coffee cups, cutlery, straws. To decrease the use of single-use plastic items, METRO significantly increased the offer of alternative products. Especially since the EU ban of plastics, METRO focus group customers HoReCa (Hotels, Restaurants, Catering) are in need of alternative products.

To help customers to reduce their single use plastic footprint, we offer an increasing amount of biodegradable products in our online shop

<https://www.metro.de/marktplatz/c/einwegartikel?offset=0&limit=20&f.options.biodegradable.0=1>

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

**% revenue from low carbon product(s) in the reporting year**

0,7

**Comment**

**Level of aggregation**

Company-wide

**Description of product/Group of products**

Packaging of products that are sold by METRO.

METRO aims to review and, where appropriate, rework of the packaging of more than 18,000 own-brand products concerning their environmental impact. Our goal is, to reduce the weight, material thickness, dimensions and layers of packaging. In concrete terms, we are working to minimize packaging waste and, in conjunction with optimized logistics and transport efficiency, to reduce our plastic and CO2 footprint. We are working to improve waste management in collaboration with third parties to increase recycling rates because our goal is to maximize the recycling of plastic in cooperation with recycling companies. We are also focusing on phasing out questionable plastics: PVC and PVDC are gradually being banned as packaging materials, EPS is being thrown out where there are viable alternatives.

Own brands account on average for around 17% of METRO's overall assortment. Since 2014, we have already saved over 400 tons of packaging material. We have achieved this through the commitment of 11 METRO Wholesale countries and global purchasing.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions



**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify  
GHG protocol methodology

**% revenue from low carbon product(s) in the reporting year**

12

**Comment**

## C5. Emissions methodology

### C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

---

**Base year start**

Januar 1, 2011

**Base year end**

Dezember 31, 2011

**Base year emissions (metric tons CO2e)**

494.798

**Comment**

METRO has been recording and publishing its greenhouse gas emissions since 2008, taking into account all the main greenhouse gas emissions that we cause directly and indirectly in the course of our business activities. These are:

- the consumption of fuel oil, natural gas, liquefied natural gas, electricity, district heating and cooling, and paper,
- refrigerant losses for commercial refrigeration and air-conditioning,
- the fuel consumption of company cars and emergency power generators,
- upstream chain emissions and network losses for all direct and indirect energy sources and
- business travel
- Fuel consumption of the company's fleet of trucks
- All external logistics
- Goods and services procured for our own use (not including paper, as this is included in the climate protection target)
- Assets
- Waste
- Employee commuting
- Leased assets

## Scope 2 (location-based)

---

### Base year start

Januar 1, 2011

### Base year end

Dezember 31, 2011

### Base year emissions (metric tons CO<sub>2</sub>e)

931.168

### Comment

METRO has been recording and publishing its greenhouse gas emissions since 2008, taking into account all the main greenhouse gas emissions that we cause directly and indirectly in the course of our business activities. These are:

- the consumption of fuel oil, natural gas, liquefied natural gas, electricity, district heating and cooling, and paper,
- refrigerant losses for commercial refrigeration and air-conditioning,
- the fuel consumption of company cars and emergency power generators,
- upstream chain emissions and network losses for all direct and indirect energy sources and
- business travel
- Fuel consumption of the company's fleet of trucks
- All external logistics
- Goods and services procured for our own use (not including paper, as this is included in the climate protection target)
- Assets
- Waste
- Employee commuting
- Leased assets

## Scope 2 (market-based)

---

### Base year start

Januar 1, 2011

### Base year end

Dezember 31, 2011

### Base year emissions (metric tons CO<sub>2</sub>e)

931.168

### Comment

METRO has been recording and publishing its greenhouse gas emissions since 2008, taking into account all the main greenhouse gas emissions that we cause directly and indirectly in the course of our business activities. These are:

- the consumption of fuel oil, natural gas, liquefied natural gas, electricity, district heating and cooling, and paper,
- refrigerant losses for commercial refrigeration and air-conditioning,

- the fuel consumption of company cars and emergency power generators,
- upstream chain emissions and network losses for all direct and indirect energy sources and
- business travel
- Fuel consumption of the company's fleet of trucks
- All external logistics
- Goods and services procured for our own use (not including paper, as this is included in the climate protection target)
- Assets
- Waste
- Employee commuting
- Leased assets

## C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

453.269

**Comment**

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

### C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

---

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

We do not report publicly a Scope 2, market-based figure but we do calculate it and disclose it in the CDP. Our Scope 2, market-based figure only considers purchased green energy.

In the reporting year we did not have any type of contract for purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

**C6.3**

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

---

**Scope 2, location-based**

692.034

**Scope 2, market-based (if applicable)**

656.447,33

**Comment**

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 2 = electricity consumption, district heating and cooling

In the reporting year we did not have any type of contract for purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. Scope 2 market based only differs from location based because of purchased green energy.

The following sources of emissions are included:

Scope 2 = electricity consumption, district heating and cooling

In the reporting year we did not have any type of contract for purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. Scope 2 market based only differs from location based because of purchased green energy.

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

---

#### Evaluation status

Relevant, calculated

#### Metric tonnes CO<sub>2</sub>e

21.673.815,73

#### Emissions calculation methodology

Emissions from goods for resale are calculated by applying an economic Input-Output model (estell). The model calculates GHG emissions based on figures from financial reporting for purchased goods (primary data from the purchase records). Emissions from purchased goods for own consumption we do calculate based on figures from financial reporting applying the economic Input-Output model ESCHER. Both models are based on scientific Research and data, e.g. GTAP. Finally, emissions from both models are aggregated to total GHGs from purchased goods and services for resale as well as own consumption.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

#### Please explain

From 2020 on we will analyse METRO's scope 3 emissions by analyzing the biggest drivers. These are those suppliers with the biggest impact - based on the size of their business with METRO or the impact of the products they sell to METRO, eg. emissions from agricultural produce such as cattle, fruit & vegetables, or fish. We will use the CDP Supply Chain Program for this analysis in a first step.

Data on Scope 3 emissions in own operations and not linked to the assortment is also included in METRO's tool for Carbon Accounting and calculated per quarter.

### Capital goods

---

#### Evaluation status

Relevant, calculated

#### Metric tonnes CO<sub>2</sub>e

183.458

**Emissions calculation methodology**

Covers extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year. Based on figures from financial reporting the amount of capital goods in EUR is multiplied with the specific emissions factors based on the economic Input-Output model ESCHER (model is based on GTAP and related data bases).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Data on Capital Goods is also included in METRO's tool for Carbon Accounting and calculated per quarter.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

142.200

**Emissions calculation methodology**

We do include additional indirect emissions associated with pre-processes relating to energy consumption of facilities (stores, headquarter, warehouses, fleet) that purchase electricity, fuel or gas for own use and for sale.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Data on scope 3 emissions of Fuel-and-energy-related activities is also included in METRO's tool for Carbon Accounting and calculated per quarter.

**Upstream transportation and distribution**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

1.025.198

**Emissions calculation methodology**

Covers logistics services from third party for the transportation and distribution of purchased products. Within road logistics, there are different "flow types" used by METRO, which represent various combinations of transportation and warehousing services: direct store delivery (DSD) and warehouse to store (WTS). For both "flow

types" it is considered if it is chilled or unchilled. Transport volume for shipping (nautical tons) and flights (in tonne-Kilometers by hauling distance (i.e., short, medium and long haul) is considered. Calculation of GHG emissions is performed by using the TREMOVE database and Guidelines to Defra.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

50

**Please explain**

Covers logistics services from third party for the transportation and distribution of purchased products.

**Waste generated in operations**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

26.255

**Emissions calculation methodology**

We do collect data for five classes of waste: waste for disposal, for recycling, for energy recovery, hazardous waste and organic waste. Each quantity of waste per class is multiplied with its specific emissions factor to calculate the waste related emissions (Guidelines to Defra)

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Data is based on store-located information of recycling and waste disposal service providers.

**Business travel**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

3.549

**Emissions calculation methodology**

Calculation of GHG emissions resulting from business trips was performed by using the Guidelines to Defra. Data acquisition includes the means of travel (plane, train, rental car) and the travelling distances. The specific data of business travel refers to business travel in Germany. For rest of business travel of the entire METRO figures are computed based on FTE per country and business travel data provided by our travel agencies.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

35

**Please explain**

The specific data of business travel refers to business travel in Germany. For rest of business travel of the entire METRO figures are computed based on FTE per country and business travel data provided by our travel agencies.

**Employee commuting**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

75.291

**Emissions calculation methodology**

Based on country specific figures on FTE the employee commuting emissions are calculated by assumptions about country specific parameters (e.g. share of mode, average distance in km (per mode), working days per year, mix of transport possibilities).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

all simulated based on number of FTE calculated for FY2019/20 with an assumption of -30% decrease vs previous year due to covid impact and work in home office plus reduced working hours in most METRO entities

**Upstream leased assets**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

109.706

**Emissions calculation methodology**

Based on figures from financial reporting the amount of leased assets in EUR is multiplied with the specific emissions factors based on the economic Input-Output model ESCHER (model is based on GTAP and related databases).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

modelled data with supplier input / service provider input.



## Downstream transportation and distribution

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

0

### Emissions calculation methodology

Downstream transportation is relevant and calculated, but included in upstream transportation figures.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Included in upstream transportation figures.

## Processing of sold products

---

### Evaluation status

Not relevant, explanation provided

### Please explain

As a wholesale company we see these emissions as not relevant. METRO's influence on how our customers further process sold goods is very limited.

## Use of sold products

---

### Evaluation status

Not relevant, explanation provided

### Please explain

As the majority of our products are food we see these emissions as not relevant. The use phase of these products is not related to significant amount of direct energy consumption or GHG emissions. In addition, METRO's influence on emissions from the use of sold products by our customers is very limited

## End of life treatment of sold products

---

### Evaluation status

Not relevant, explanation provided

### Please explain

As the majority of our products are food we see these emissions as not relevant. In addition, METRO's influence on how our customers treat products at the end of life is very limited.

## Downstream leased assets

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

It is assumed that anticipated Scope 3 emissions from downstream leased assets are insignificant in relation to total anticipated emissions.

**Franchises**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Franchises become more and more relevant for the trader business of METRO Wholesale in some countries. But so far, it is assumed that anticipated Scope 3 emissions from franchises are insignificant in relation to total anticipated emissions.

**Investments**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Investments are related, but do not play a major role to core business of a wholesale and retail company. It is assumed that anticipated Scope 3 emissions from investments are insignificant in relation to total anticipated emissions.

**Other (upstream)**

---

**Evaluation status**

Not evaluated

**Please explain**

There are not other relevant upstream emissions identified.

**Other (downstream)**

---

**Evaluation status**

Not evaluated

**Please explain**

There are not other relevant downstream emissions identified.

**C6.7**

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

**Intensity figure**

0,213350335

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

1.145.303

**Metric denominator**

square meter

**Metric denominator: Unit total**

5.368.180

**Scope 2 figure used**

Location-based

**% change from previous year**

4,29

**Direction of change**

Decreased

**Reason for change**

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 CO<sub>2</sub> equivalents. For example, the share of renewable energies in the electricity mix of many countries has increased.

---

**Intensity figure**

0,0000446825

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

1.145.303

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

25.632.000.000

**Scope 2 figure used**

Location-based

**% change from previous year**

4,29

**Direction of change**

Decreased

**Reason for change**

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.

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

No

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
Germany	98.914,67
Western Europe	111.659,39
Eastern Europe & CIS	230.892,46
Other, please specify Asia incl. Japan	12.830,29

### C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

### C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO2e)
METRO Wholesale	415.478,65

Headquarter Düsseldorf (incl. service companies)	2.593
METRO Logistics	15.221,77
Food Service Delivery	21.003,38

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Germany	134.793,34	134.655,228	416.496,9	300
Western Europe	108.677,07	83.218,56	533.754,01	55.300
Eastern Europe & CIS	378.241,4	378.241,4	1.046.090,15	0
Other, please specify Asia (incl. India, Pakistan, Myanmar, Japan)	54.729,17	44.601	96.917,1	22.000

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

### C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
METRO Wholesale	638.923,18	596.834,01
Headquarter Düsseldorf (incl. service companies)	12.028,99	12.028,99
METRO Logistics	21.319,54	21.319,54
Food Service Delivery	3.955,83	3.955,83

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

### C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Only limited increase in renewable energy consumption, however impact visible in market-based figures only.
Other emissions reduction activities	45.500	Decreased	3,8	Based on the materiality of different emission sources we focus on increasing energy efficiency, less carbon intensive energy and reduction of leakage from refrigerants and shift to natural coolants. Therefore at all sales lines Energy Saving Programs and Energy Awareness Programs as well as measures to reduce emissions from refrigerants are implemented. For example METRO Wholesale invested about €30 million in energy efficient cooling and lighting equipment during the reporting period. In total more than 40,000 tCO2e are attributed to these emissions reduction activities. Previous year Scope 1+2 emissions were 1,196,694 tCO2e. (Calculation $45,500/1,196,694 \times 100 = 3.7$ )
Divestment	0	No change	0	There were no divestments during the reporting period.
Acquisitions	0	No change	0	There were no acquisitions during the reporting period.
Mergers	0	No change	0	There were no mergers during the reporting period.
Change in output	0	No change	0	Sales floor and delivery area at METRO unchanged in reporting year 2019/20.

Change in methodology	0	No change	0	no change in methodology
Change in boundary	0	No change	0	no change in boundary
Change in physical operating conditions	0	No change	0	no change in physical operating conditions
Unidentified	0	No change	0	no unidentified reasons
Other	12.387	Decreased	0,9	At METRO we shift sales area to food service delivery business (FSD) area. FSD requires usually more cooling and more transport activities. There is therefore an increase in emissions from FSD. We are not yet in the position to separate FSD emissions from sales floor related emissions as FSD is often done out of store or a warehouse within a store. There is a counter effect from increase in FSD to decrease from reduced sales floor. (Calculation $12,387/1,810,861 \times 100 = 0.9$ )

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes

Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

## C8.2a

**(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	765.373,97	765.373,97
Consumption of purchased or acquired electricity		77.300	1.446.566	1.523.866,45
Consumption of purchased or acquired heat		0	64.206,53	64.206,53
Consumption of purchased or acquired cooling		0	1.299,17	1.299,17
Consumption of self-generated non-fuel renewable energy		14.124,5		14.124,5
Total energy consumption		91.424,5	2.277.446,13	2.354.746,13

## C8.2b

**(C8.2b) Select the applications of your organization’s consumption of fuel.**

	Indicate whether your organization undertakes this fuel application



Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### Fuels (excluding feedstocks)

Diesel

### Heating value

LHV (lower heating value)

### Total fuel MWh consumed by the organization

264.312

### MWh fuel consumed for self-generation of electricity

0

### MWh fuel consumed for self-generation of heat

2.823,7

### Emission factor

3,05

### Unit

kg CO2e per liter

### Emissions factor source

Value from Defra 2019: Scope 1: Fuel, Scope 3: WTT (gaseous) Fuels

### Comment

Diesel (average biofuel blend)

For countries with no biofuel blend there is an emissions factor of 3.21 kg CO2e/litre applied (100% mineral diesel).

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

5.320

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

5.320

**Emission factor**

1,712

**Unit**

kg CO2e per liter

**Emissions factor source**

Defra 2019: Scope 1: Fuel, Scope 3: WTT (gaseous) Fuels

**Comment**

---

**Fuels (excluding feedstocks)**

Other, please specify

Heating Oil

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

46.907

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

46.907

**Emission factor**

337,372

**Unit**

kg CO2e per liter

**Emissions factor source**

German Environmental Agency Database GEMIS 4.9.4 for heating oil

**Comment**

Country specific values applied.

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

448.835

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

448.835

**Emission factor**

243.107

**Unit**

kg CO2e per MWh

**Emissions factor source**

German Environmental Agency Database GEMIS 4.9.4

**Comment**

## C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	14.124,5	14.124,5	14.124,5	14.124,5
Heat	2.900	2.900	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

---

**Sourcing method**

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

**Low-carbon technology type**

Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Germany

**MWh consumed accounted for at a zero emission factor**

300

**Comment**

EV fleet / Germany

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

**Low-carbon technology type**

Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Austria

**MWh consumed accounted for at a zero emission factor**

30.500

**Comment**

by Verbund AG

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

**Low-carbon technology type**

Wind

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

India

**MWh consumed accounted for at a zero emission factor**

22.000

**Comment**

Electricity consumption in 13 Stores with GoO

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

**Low-carbon technology type**

Wind

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Portugal

**MWh consumed accounted for at a zero emission factor**

24.500

**Comment**

Acconia Wind

---

**Sourcing method**

**Low-carbon technology type**

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

**MWh consumed accounted for at a zero emission factor**

**Comment**

## **C9. Additional metrics**

### **C9.1**

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

---

**Description**

Waste

**Metric value**

221.518

**Metric numerator**

Waste in metric tons

**Metric denominator (intensity metric only)**

square meter sales and delivery floor

**% change from previous year**

3,5

**Direction of change**

Decreased

**Please explain**

Waste generated in relation to the space used for sales and delivery operations. The recycling rate is calculated as the amount of waste destined for recycling, heat recovery and composting in relation to the amount of total waste. The volume of waste in absolute terms, 221.518 t, marks a reduction from the previous year. This can be broken down as follows:

Waste for composting (6.457 t)

Waste for heat recovery (14.811 t)

Waste for landfill (38.215 t)

Waste for recycling (130.802 t)

Waste for special waste treatment, such as hazardous waste (7.485 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.

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place

Scope 3	Third-party verification or assurance process in place
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## C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

---

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 entire-metro-crr1920.pdf

**Page/ section reference**

page 106 refer to Limited Assurance Report of the Independent Auditor regarding Sustainability Information1

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 entire-metro-crr1920.pdf

**Page/ section reference**

page 106 refer to Limited Assurance Report of the Independent Auditor regarding Sustainability Information1

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

---

**Scope 3 category**

Scope 3 (upstream & downstream)

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

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**Page/section reference**

page 106 refer to Limited Assurance Report of the Independent Auditor regarding Sustainability Information

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100



## C10.2


**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**



Yes


### C10.2a


**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**


Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ISAE3000	<p>Third party verification by KPMG on all sustainability key performance indicators as published in the CR Report 2019/20.</p> <p>KPMG statement:</p> <p>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 us to plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the Report was not prepared, in all material respects, in accordance with the Reporting Criteria. We do not 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.</p> <p>Conclusion</p>

			<p>Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information in the Corporate Responsibility Report 2019/20 of METRO, is not prepared, in all material respects, in accordance with the Reporting Criteria.</p> <p> 1</p>
<p>C4. Targets and performance</p>	<p>Progress against emissions reduction target</p>	<p>ISAE3000</p>	<p>Third party verification by KPMG on all sustainability key performance indicators as published in the CR Report 2019/20.</p> <p>KPMG statement:</p> <p>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 us to plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the Report was not prepared, in all material respects, in accordance with the Reporting Criteria. We do not 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.</p> <p>Conclusion</p> <p>Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information in the Corporate Responsibility Report 2019/20 of METRO, is not</p>

			<p>prepared, in all material respects, in accordance with the Reporting Criteria.</p> <p> 1</p>
C5. Emissions performance	Change in Scope 2 emissions against a base year (not target related)	ISAE3000	<p>Third party verification by KPMG on all sustainability key performance indicators as published in the CR Report 2019/20.</p> <p>KPMG statement:</p> <p>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 us to plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the Report was not prepared, in all material respects, in accordance with the Reporting Criteria. We do not 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.</p> <p>Conclusion</p> <p>Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information in the Corporate Responsibility Report 2019/20 of METRO, is not prepared, in all material respects, in accordance with the Reporting Criteria.</p> <p> 1</p>
C5. Emissions performance	Change in Scope 1 emissions	ISAE3000	<p>Third party verification by KPMG on all sustainability key performance indicators as</p>

	<p>against a base year (not target related)</p>		<p>published in the CR Report 2019/20.</p> <p>KPMG statement:</p> <p>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 us to plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the Report was not prepared, in all material respects, in accordance with the Reporting Criteria. We do not 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.</p> <p>Conclusion</p> <p>Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information in the Corporate Responsibility Report 2019/20 of METRO, is not prepared, in all material respects, in accordance with the Reporting Criteria.</p> <p> 1</p>
<p>C5. Emissions performance</p>	<p>Change in Scope 3 emissions against a base year (not target related)</p>	<p>ISAE3000</p>	<p>Third party verification by KPMG on all sustainability key performance indicators as published in the CR Report 2019/20.</p> <p>KPMG statement:</p> <p>We conducted our work in accordance with the International Standard on Assurance</p>

			<p>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 us to plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the Report was not prepared, in all material respects, in accordance with the Reporting Criteria. We do not 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.</p> <p>Conclusion                  Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information in the Corporate Responsibility Report 2019/20 of METRO, is not prepared, in all material respects, in accordance with the Reporting Criteria.</p> <p> 1</p>
<p>C5. Emissions performance</p>	<p>Year on year emissions intensity figure</p>	<p>ISAE3000</p>	<p>Third party verification by KPMG on all sustainability key performance indicators as published in the CR Report 2019/20.</p> <p>KPMG statement:</p> <p>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”</p>

		<p>of the International Auditing and Assurance Standards Board (IAASB). These standards require us to plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the Report was not prepared, in all material respects, in accordance with the Reporting Criteria. We do not 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.</p> <p>Conclusion Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information in the Corporate Responsibility Report 2019/20 of METRO, is not prepared, in all material respects, in accordance with the Reporting Criteria.</p> <p> 1</p>
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## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, but we anticipate being regulated in the next three years

### C11.1d

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

We ensure to comply with systems we expected to be regulated (such as carbon taxes) by closely monitoring regulation developments. Here, our internal experts in the team of Corporate Energy Management (responsible for eg. energy procurement and implementing carbon reduction measures) developed different scenarios analyzing impacts of potential regulations. In the next step, this is internally discussed together with Corporate Public Policy (responsible

for responsible lobbying) who serve as the link to national and EU regulators, together with the teams of Corporate Responsibility (responsible for climate change strategy), Risk Management and Investor Relations. Potential impacts are also monitored within the regular risk management process including guidance on the specific risks for involved internal parties and mitigating actions defined.

The department Corporate Responsibility is monitoring and assessing Sustainability and CR related issues through the group-wide Risk Management and Issues Management, e.g. upcoming new regulation with regard to climate change. The results of the assessments are considered in the development/adjustment of the climate protection strategy. Corporate Public Policy is in charge of the engagement with policy makers and trade associations. Corporate Energy Management together with its colleagues in operational functions, the Regional Energy Managers and Technical Operations departments in country operations, are closely monitoring national regulation developments.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

### C11.2a

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

---

**Credit origination or credit purchase**

Credit purchase

**Project type**

Fossil fuel switch

**Project identification**

METRO purchased certificates for its EV fleet in Germany.

**Verified to which standard**

Other, please specify

GO (guarantees of origin) from German Federal Environment Office (Umweltbundesamt Germany)

**Number of credits (metric tonnes CO<sub>2</sub>e)**

150

**Number of credits (metric tonnes CO<sub>2</sub>e): Risk adjusted volume**

150

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

**Credit origination or credit purchase**

Credit purchase

**Project type**

Other, please specify

Forest, Biomass, Wind

**Project identification**

In order to remain profitable and at the same time minimise the risk of infection by Covid, many restaurateurs have increasingly focused on the patio business during the past summer months. In order to be able to continue operating these outdoor areas in the approaching winter, radiant heaters are often used, which are considered harmful to the climate.

In order to compensate for this climate impact, METRO did offset the CO2 emissions of all infrared and gas radiant heaters including propane gas bottles purchased from METRO - regardless of whether they are used in the restaurant business. The basis for the calculation is the average emission of all corresponding devices sold in METRO Germany wholesale stores between August 2019 and July 2020, with a runtime from October to March, an average of six hours a day plus buffer. In total, around 15,000 tonnes of CO2 will be compensated.

Part of the project funds will be used for the reforestation of a forest area on the Wurmberg near Braunlage in the German Harz mountains, which has been severely affected by the drought of recent years. Around 3,000 native trees will be planted on an area of 10,000 m2.

In addition, METRO Germany acquires climate compensation certificates according to the internationally recognised Gold Standard and thus supports two international projects in equal parts: In Svishtov, Bulgaria, the operation of a biomass plant is supported, which uses methane gas from the wood preparation of a paper mill for regenerative heat generation. As part of a wind energy project in the south of Pakistan, a total of 33 wind turbines with an output of 56 MWp are being supported. METRO is active as a wholesaler in both Bulgaria and Pakistan.

**Verified to which standard**

Gold Standard

**Number of credits (metric tonnes CO2e)**

15.000

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

15.000



**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

Yes

## C11.3a

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

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**Objective for implementing an internal carbon price**

Drive energy efficiency  
Drive low-carbon investment

**GHG Scope**

Scope 1  
Scope 2  
Scope 3

**Application**

We use the internal carbon price of 50€ per ton CO<sub>2</sub>e in our investment processes, i.e. we apply it for CapEx in the connection with technical procurement. All kind of energy saving measures, no matter for which country, are measured not only by their financial ROI and payback period, on top the business case is improved in most of our countries by adding a calculatory saving from reduced CO<sub>2</sub>e emissions.

We added a carbon price without financial affect but integrated in decision making also within the Investment Proposal process for new store openings and re-modelling by a comparison vs. a base line.

**Actual price(s) used (Currency /metric ton)**

50

**Variance of price(s) used**

We apply a uniform price.

**Type of internal carbon price**

Shadow price

**Impact & implication**

We use the internal carbon price of 50€ per ton CO<sub>2</sub>e in our investment processes, i.e. we apply it for CapEx in the connection with technical procurement. In 2019 we raised the internal carbon price from previously used 25€ to 50€. All kind of energy saving measures, no matter for which country, are measured not only by their financial ROI and

payback period, on top the business case is improved in most of our countries by adding a calculatory saving from reduced CO2e emissions.

Currently we are in the process of adding a carbon price also within the Investment Proposal process for new store openings and re-modelling by a comparison vs. a base line.

## C12. Engagement

### C12.1

#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

### C12.1a

#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

---

##### Type of engagement

Innovation & collaboration (changing markets)

##### Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

##### % of suppliers by number

20

##### % total procurement spend (direct and indirect)

5

##### % of supplier-related Scope 3 emissions as reported in C6.5

5

##### Rationale for the coverage of your engagement

In many of the countries we operate in there is an increasing demand for regional products. That's why we ensure that our customers can buy products and specialties from farmers and manufacturers in the region. The associated shorter transport routes are also associated with lower GHG emissions of the goods.

About 20% of our suppliers are local farmers. As they provide us with fruits and vegetables the share of total procurement spend is rather low.

In France, for example, METRO signed the "100% regional" charter with the French vegetable producers' association Fédération Nationale des producteurs de légumes de

France. This initiative promotes local vegetable farming and guarantees that METRO Wholesale stores are supplied with vegetables that were harvested that same morning or the night before by farmers within a maximum radius of 50 kilometres.

### **Impact of engagement, including measures of success**

Impact of engagement:

The shorter transport routes associated with local sourcing are also associated with lower GHG emissions of the goods. In France, for example, METRO signed the “100% regional” charter with the French vegetable producers’ association “Fédération Nationale des producteurs de légumes de France”. This initiative promotes local vegetable farming and guarantees that METRO Wholesale stores are supplied with vegetables that were harvested that same morning or the night before by farmers within a maximum radius of 50 kilometres. In many of our countries we operate in we do observe an increase in sales of goods sourced locally.

Measures of success:

Our success measure is a % sales or % increase in sales from locally sourced goods. The impact so far was a year-on-year 2% increase in sales from locally sourced goods.

### **Comment**

#### **Type of engagement**

Information collection (understanding supplier behavior)

#### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

#### **% of suppliers by number**

1,7

#### **% total procurement spend (direct and indirect)**

27

#### **% of supplier-related Scope 3 emissions as reported in C6.5**

32

#### **Rationale for the coverage of your engagement**

METRO has a large, geographically diverse supply chain that includes more than 50,000 suppliers around the world. We understand that over 90% of our total impact lies outside of our own operations. That's why we have set up programs that allow direct suppliers to join us in create a more sustainable value chain. To ensure that these programs affect real and sizable change we often focus on engaging our largest suppliers.

Compared to the overall number, we focused on a small number of the most relevant METRO suppliers to participate in this project. The relevance of the invited suppliers was identified by the procurement spend and the relevance of their business to the respective topics.

The number of 50,000 suppliers includes all suppliers, also local, SME companies who only supply 1 national METRO business entity or even 1 METRO store. In the CDP Supply Chain Project, we first focus on all suppliers who METRO works internationally with, these are 10,000 suppliers. We invited the 165 most relevant suppliers to participate. Of those 165 individual companies, 127 suppliers were invited for the CDP Climate assessment, 102 for CDP Water and 86 for CDP Forest. To identify relevant suppliers for CDP Supply Chain, we refer to the size of business we do with the respective supplier. The 2% of suppliers have the biggest procurement spend and are important drivers of the topic due to their eg. GHG emissions or water use in production. METRO generates approximately 27 per cent of its revenue with these suppliers. Since 2016, METRO is running the CDP Supply Chain Program to survey METRO suppliers with the highest procurement spend and impact on the respective issue, climate, forest and water use.

### **Impact of engagement, including measures of success**

The emissions occurring in our supply chain are an issue which has strategic significance for METRO Wholesale. This is why we are conducting the CDP Supply Chain Program in 2020 for all 3 CDP questionnaires: Climate, Water and Forest. Based on the data of the CDP Supply Chain Climate Change data, we are able to analyse further details of the impact of our Scope 3.1 emissions related to managing METRO's Science Based Target of achieving a reduction of 15% until 2030 of METRO's Scope 3 emissions. The requested suppliers account for more than 30% of METRO's Scope 3 emissions.

Measures of success:

We measure success based on the response rate of suppliers invited to participate and improvements in one or two other KPIs specific as relevant per questionnaire.

For CDP Climate, we measure success in the response rate of suppliers invited to participate. Especially in the first year of using CDP Supply Chain for Climate Change, this proved successful for METRO: 69% of 127 requested suppliers answered with verified CO<sub>2</sub> emissions. We also measure success in the KPI of allocated emissions: 40% of suppliers can allocate these to METRO.

For CDP Supply Chain Forest, 86 suppliers were requested, with a response rate of 47% in the first year. The biggest success was to be able to engage 16 suppliers who responded for the first time, only requested by METRO. Another important KPI shows 91% of suppliers having a structured policy have a company-wide commitment to eliminate deforestation.

For CDP Supply Chain Water, with 59% the response rate of 102 requested suppliers increased vs PY (58% in 2019) and 90% of suppliers shared their water consumption information while 85% of suppliers have a risk assessment procedure in place (vs. 77% in 2019).

The survey 2020 is mentioned in our CR Progress Report 2019/20:

<https://reports.metroag.de/corporate-responsibility-report/2019-2020/key-performance-indicators-and-targets/key-performance-indicators/climate-action.html#accordion2>

## Comment

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### Type of engagement

Compliance & onboarding

### Details of engagement

Climate change is integrated into supplier evaluation processes

### % of suppliers by number

1,7

### % total procurement spend (direct and indirect)

27

### % of supplier-related Scope 3 emissions as reported in C6.5

32

### Rationale for the coverage of your engagement

The rationale for the coverage of METRO's engagement here is the materiality of the respective suppliers' business with METRO, in terms of the size of procurement spend METRO has with the individual supplier.

METRO has a large, geographically diverse supply chain that includes more than 50,000 suppliers around the world. We understand that over 90% of our total impact lies outside of our own operations. That's why we have set up programs that allow direct suppliers to join us in create a more sustainable value chain. To ensure that these programs affect real and sizable change we often focus on engaging our largest suppliers.

To drive engagement and awareness within our supplier community, we do invite private label and branded suppliers to meetings to onboard them on METRO's strategic approach on sustainability. Here, the same supplier were chosen to collaborate with as approached in the CDP Supply Chain Program, where we invited 165 of most relevant suppliers in terms of spend and climate impact and the amount of GHG emissions.

### Impact of engagement, including measures of success

In the reporting year, METRO invited all suppliers to an internal Supplier Conference, hosted at the METRO headquarter in Düsseldorf for 2 days. In this meeting, METRO presented its sustainability strategy, focusing on its climate target and recently approved Science Based Target. Based on that meeting, individual dialogue with the suppliers were conducted bilaterally by the sustainability team and the relevant Category Managers (buyers) of METRO. We do measure the success in number of suppliers who participated in the event and meetings. The impact of engagement is a mixed calculation of a) the materiality of the respective suppliers' business with METRO,

in terms of the size of procurement spend METRO has with the individual supplier and  
b) the successful onboarding of the individual supplier by conducting a meeting.

## Comment

### **Type of engagement**

Compliance & onboarding

### **Details of engagement**

Code of conduct featuring climate change KPIs

### **% of suppliers by number**

100

### **% total procurement spend (direct and indirect)**

100

### **% of supplier-related Scope 3 emissions as reported in C6.5**

98

### **Rationale for the coverage of your engagement**

Generating added value for our customers is at the heart of METRO's strategy. We act today for tomorrow responsibly and meticulously, to enhance our business impact and to the benefit of our customers, society and the environment. The METRO Code of Conduct for Business Partner defines our fundamental principles in the areas of the environment, social affairs and business ethics. We expect our partners to fulfil this code in their daily cooperation with us.

Principle 8 of the CoC is about Protection of environment and reducing environmental footprint:

To protect the environment and the climate we expect our business partners to responsibly use resources and to comply with or exceed all applicable local environmental legislation.

The CoC is applicable to all suppliers and service providers and to the related total procurement spend. It is related to Scope 3 emissions from Purchased Goods and Services, Upstream Transportation, Business Travel, Waste Handling and Capital Goods which reflects the major part of our Scope 3 emissions.

### **Impact of engagement, including measures of success**

While the document of the Code of Conduct for Business Partners has been communicated to all suppliers previously, METRO now made the acceptance of the Code of Conduct a part of the listing process in METRO's updated supplier portal. This database gathers all centrally organised suppliers at a first step and is currently rolled out to local suppliers, too.

Our business partners undertake continuous efforts to optimize their business and production processes in accordance with circular economy principles of thinking in

cycles and considering life cycle costs, and to foster this development by introducing environmentally friendly technologies, increasing efficiency and reducing their environmental footprint . Impact of engagement is the implementation of our Code of Conduct including climate target recognitions by all our suppliers. The success is measured in the share of suppliers who acknowledged the Code of Conduct in the supplier portal.

**Comment**

**C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**% of customers by number**

10

**% of customer - related Scope 3 emissions as reported in C6.5**

8

**Please explain the rationale for selecting this group of customers and scope of engagement**

Rationale is covering all HoReCa (Hotels, restaurants, Catering) customers of METRO France. As core customers, these customers are related to approx. 90% of the customer-related GHG emissions in France. To support them in reducing emissions from their business, eg. in more efficient kitchen logistics, saving resources (water, energy), shifting to renewable energy, METRO France has been running the campaign "My sustainable Restaurant" (Mon restaurant passe au durable) in the past years. In this campaign, METRO educates restaurant owners in how to run their business more sustainable. For example in the METRO conference "Mon Restaurant passe au durable" (My sustainable restaurant). This event is dedicated to the challenges, trends and opportunities of sustainable development in the restaurant industry. During this 100% digital event, various speakers took the floor to talk about their experience, inform and raise awareness among professionals to responsible catering, and encourage them to take action. This campaign is using the so-called DECLIC method, which was discussed and illustrated by chefs during this conference.

DECLIC method refers to...

- 1 Declencheur - release: recovering from a shock
- 2 Etoile - star: building an engaging vision for the future
- 3 Cailloux blancs - white pebbles: initiate first concrete actions
- 4 Libération des énergies - liberating energy: engaging as many people as possible in the transition
- 5 Innovation durable- sustainable innovation: transforming business models
- 6 Communautés - communities: maintain the momentum over time

### **Impact of engagement, including measures of success**

The campaign is being promoted through various communication channels (Social Media, advertisement, sales force, trade fairs) to all HoReCa customers of METRO France. With specific customers running a successful "green" restaurant, METRO cooperated and presented their "Sustainable restaurant" toolkit at trade fairs, eg at the Sirha in Lyon - the most important trade fair for professional chefs in France, and invited chefs from all over France to the virtual conference.

The impact of engagement for METRO is to build an even stronger relationship with their existing customers (in the focus customer group of restaurant owners) and promote its products and services to potential new customers.

The success is measured in trend of the number of customers participating in the events. In reporting year this number increased despite the COVID impact, but METRO was able to transfer in-person meetings and events to virtual online meetings.

### **Type of engagement**

Collaboration & innovation

### **Details of engagement**

Other, please specify

Enable recycling of waste

### **% of customers by number**

3

### **% of customer - related Scope 3 emissions as reported in C6.5**

2,5

### **Please explain the rationale for selecting this group of customers and scope of engagement**

All customers at METRO Ukraine were targeted in this project. which represent ca. 3% of the overall 16 million customers METRO serves worldwide. The global sustainability strategy is including local projects to support implementation of the global goals. As the business of METRO is very de-centralized and meeting local demands of the respective national markets, the country entities are responsible for locally driven value creation presented in the overall governance model of METRO for "Value Creation Plans" set up on country level. In this case, the METRO business unit in Ukraine is implementing the global METRO sustainability strategy for increasing recycling of waste.



At METRO Ukraine where there are increasing numbers of environmentally conscious citizens but no national waste sorting scheme – local partnership and action is making a real impact in addressing the problem. Working closely with a private partner, we have introduced a waste collection point in 7 METRO stores. Together with intensive training of employees, the programme has raised customer awareness of plastic pollution and encouraged them to reduce its use.

**Impact of engagement, including measures of success**

Customers and staff have even taken this practice into their own homes. Since the start of the project, 12 tonnes of waste has been collected, 10 of which was recyclable, and 3.8 tonnes of plastic was diverted from landfill over a period of 5 months.

Our professional HoReCa customers have reduced the amount of waste exported to landfill and, crucially, have saved up to 40% of the costs of the disposal of solid waste. We expand the project to all 18 cities in which METRO operates. We measure success based on the tons of waste collected, recycled, and diverted from landfills.

Other METRO operations are actively supporting their customers to manage packaging waste. For example, in Turkey empty water bottles are collected in stores, Kazakhstan has installed outside collection points and in Myanmar we go one step further and provide a service to collect plastic and glass bottles from our professional customers' premises.

**C12.3**

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Direct engagement with policy makers
- Trade associations

**C12.3a**

**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support with minor exceptions	METRO talks directly to policy makers through its own representative offices in Brussels and Berlin. In addition we are engaged on Germany's "Energiewende" via the German Retail Association. For example one result out of this engagement was a joint position paper of the German retail sector on "How to make	We support the legislation on clean energy generation with minor exceptions. We claim for an overall concept on clean energy that has to be equally serve the interests of industry and consumers and take energy efficiency besides clean energy production into account as well.

		Germany's Energiewende successful".	
Other, please specify Food waste, sustainable consumption	Support with minor exceptions	Through its representative offices in Berlin and Brussels METRO is actively engaging with policy makers on how to reduce food waste and on consumer behaviour (and related carbon emissions). In addition, METRO provides policy makers and the public with daily news and answers to their particular questions via the Twitter account "DasGuteessen".	Measures along the entire value chain are needed. Only minor part of food waste occurred within the Retail/Wholesale sector.
Other, please specify F-Gas regulation	Support	METRO was in exchange with the EU Commission on the review of the F-Gases regulation via its active membership in the Association of European Retailers EuroCommerce, the umbrella association for wholesale and foreign trade in Europe, and its own representative offices in Brussels and Berlin by participating consultations and, in addition, talking directly to policy makers. METRO also collaborates with other companies in the governmental initiative "Wirtschaft macht Klimaschutz".	We support the execution of the legislation on F-Gases.

### C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

### C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

German Trade Association (Handelsverband Deutschland)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association’s position**

Climate change is one of the great challenges of our time - and is one that we can only tackle if all work together. Energy consumption must fall significantly through greater energy efficiency, a further development of renewable energy sources and a careful use of already scarce fossil resources must be achieved. This allows to reduce greenhouse gas emissions and to realized one of the main objectives of global climate protection. The third largest German economic sector - the German trade - presents with great commitment and high sense of responsibility in the service of this task.

**How have you influenced, or are you attempting to influence their position?**

METRO is an active member and collaborates on joint positions which result in position papers of the association. METRO is engaged on climate change as member of the Environmental Committee and the Energy Committee.

**Trade association**

EuroCommerce

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association’s position**

Commerce companies are responding to the challenges of climate change, scarcity of natural resources, loss of biodiversity etc. by constantly innovating and reducing the environmental footprint of their own activities and supply chains operations. They are also promoting more sustainable products and better informing consumers.

EuroCommerce has helped its members develop voluntary initiatives by setting up the Retailers’ Environmental Action Programme (REAP) under the EU Retail Forum for Sustainability. The joint Retail-EU Commission forum is a platform to foster a dialogue with stakeholders along the supply chain to take the sustainability agenda forward.

**How have you influenced, or are you attempting to influence their position?**

METRO is an active member and collaborates on joint positions which result in position papers of the association. METRO is member of the Environmental Committee of EuroCommerce.

**Trade association**

Consumer Goods Forum

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association’s position**

1) Resolution on Deforestation:

The Board of the Consumer Goods Forum (CGF) pledge to mobilise resources within its respective businesses to help achieve zero net deforestation by 2020. It will achieve this both by individual company initiatives and by working collectively in partnership with

governments and NGOs. CGF will develop specific, time bound and cost effective action plans for the different challenges in sourcing commodities like palm oil, soya, beef, paper and board in a sustainable fashion. CGF will also work with other stakeholders – NGOs, Development Banks, Governments etc – to create funding mechanisms and other practical schemes that will incentivise and assist forested countries to conserve their natural assets and enable them to achieve the goal of zero net deforestation, whilst at the same time meeting their goals for economic development.

#### 2) Resolution on Sustainable Refrigeration:

The Consumer Goods Forum recognise the major and increasing contribution to total greenhouse gas emissions of HFCs and derivative chemical refrigerants. The CGF is therefore taking action to mobilize resources within its respective businesses to begin phasing-out HFC refrigerants as of 2015 and replace them with non-HFC refrigerants (natural refrigerant alternatives) where these are legally allowed and available for new purchases of point-of-sale units and large refrigeration installations.

#### **How have you influenced, or are you attempting to influence their position?**

METRO is an active member and collaborates on joint positions which result in position papers of the association. In 2018 / 2019, METRO CEO Olaf Koch was co-chairman of the CGF. METRO Global Director Veronika Pountcheva is currently co chair of the steering committee of CGF's Sustainability Pillar and is also member of the Health & Nutrition committee.

On working level, METRO is present at different working groups: Human Rights, Forest Positive Coalition with the respective Soy and Palm Oil Working Group. By this, METRO is working on setting the agenda of the CGF towards improvements in Human Rights and mitigating deforestation in global supply chains. In collaboration with the other members of the working groups (retailer, manufacturer, commodity trader) METRO established the overall roadmap and strategy of the CGF on the respective topics - supported by defined KPIs to measure progress and success, setting up a toolkit to support member actions and planning of a monitoring system of deforestation risk areas.

## **C12.3f**

### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

We ensure that activities to influence policy are consistent with our climate protection strategy because of close cooperation between the departments Corporate Responsibility (responsible for climate change strategy), Corporate Public Policy (responsible for responsible lobbying) and Corporate Energy Management (responsible for implementing carbon reduction measures). The department Corporate Responsibility is monitoring and assessing Sustainability and CR related issues through the group-wide Risk Management and Issues Management, e.g. upcoming new regulation with regard to climate change. The results of the assessments are considered in the development/adjustment of the climate protection strategy. Corporate Public Policy is in charge of the engagement with policy makers and trade associations. The team Energy Management is responsible for energy procurement and efficient energy management

of the properties. Experts in the field ensure the purchase of energy (electricity, gas, heating oil and district heating) on world markets. In addition to economic considerations, environmental protection is also taken into account when purchasing, e.g. continuous increase in the proportion of renewable energies and where fuel oil is necessary conversion to low-sulfur fuel oil. The team Energy Management also supports the Group in reducing energy consumption and emissions. To this end, a Energy Management System (MEMS) was developed.

All three departments are working closely together on a daily work basis to ensure policy influence directions are in line with the overall climate strategy. Per department, one dedicated colleague is nominated to serve as a contact and sparring partner for the other two departments. In general, the departments work together in two ways:

1. Corporate Responsibility and Energy department align on overall climate strategy, screen internal developments and implement initiatives and actions to meet the climate target. This input and information is provided to Corporate Public Policy department to brief and guide their policy influence activities.
2. Corporate Public Policy department screens and observes policy developments regarding climate change issues, eg. upcoming regulations, on national and EU level, and briefs the Corporate Responsibility and Energy department on recent developments. In case Corporate Public Policy is getting active eg. by providing feedback through trade associations to a planned EU directive, Corporate Responsibility and Energy department provide expert input, calculate scenarios on the potential impact and / or possible realization of regulations.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

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### Publication

In mainstream reports, incorporating the TCFD recommendations

### Status

Complete

### Attach the document

 entire-metro-crr1920.pdf

### Page/Section reference

32-36

### Content elements

Governance  
Strategy  
Risks & opportunities  
Emissions figures

Emission targets

**Comment**

**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

 entire-metro-crr1920.pdf

**Page/Section reference**

32-37

**Content elements**

Strategy  
Emissions figures  
Emission targets

**Comment**

## C15. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Chief Human Resources Officer CHRO as Member and Director on Management Board of METRO AG	Director on board

## SC. Supply chain module

### SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

### SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

### SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

### SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

### SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

### SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
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### SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

## SC2.1

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

## SC4.1

**(SC4.1) Are you providing product level data for your organization's goods or services?**

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	<b>I am submitting to</b>	<b>Public or Non-Public Submission</b>	<b>Are you ready to submit the additional Supply Chain questions?</b>
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

**Please confirm below**

I have read and accept the applicable Terms