

**METRO AG Policy Statement**  
**on human rights and protection of the environment**  
**according to the requirements of the**  
**German Act on Corporate Due Diligence Obligation in Supply Chains (LkSG)**  
**from 16 July 2021**

People are central to our business and we value every individual who works with and for us. That is why METRO AG, supported by trusting partnerships with relevant stakeholders, is committed to respecting human rights in its own business operations and in its own supply chains, especially those of METRO's operating companies. We firmly believe that business success can only be sustainable in harmony with respect for human rights and environmental concerns. Acting responsibly with a view to the future and the impact of our business activities on society and the environment, and thus conversely the impact of society and the environment on our business activities, are essential for our company. In this way, we also contribute to the United Nations 2030 Agenda for Sustainable Development.

With this policy statement, we, METRO AG, commit ourselves to the conventions mentioned in the annex to § 2 section 1, § 7 section 3 sentence 2 of the German Act on Corporate Due Diligence in Supply Chains (LkSG). METRO AG has developed and implemented a social compliance risk management system<sup>1</sup> that aims to comply with the corporate due diligence obligations arising from the LkSG and thus contribute to respecting the human rights of individuals and protecting the environment.

**Anchoring in the corporate structure**

As a leading company in food wholesale, we want to further expand and strengthen our position in the long term. To achieve this, our corporate culture and our shared values are essential. Responsibility towards people and a self-commitment to fairness and tolerance are among our core values. We have laid down these values in our [Declaration of Values](#), which testifies to our conviction to respect internationally recognised human rights and environmental concerns in our own business operations and supply chain. As an international company, we are aware of our responsibilities beyond our own business and have therefore also formulated a [Code of conduct for business partners](#). With this Code of Conduct, we aim to create a common basic understanding with our contractual partners with regard

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<sup>1</sup> The so-called Social Compliance Risk Management System is tailored to the requirements of the LkSG and is different in execution, responsibilities and tasks to the risk management system of METRO AG pursuant to §91 of the German Stock Corporation Act.

to essential human rights-related and environmental standards. In addition, binding social compliance clauses are included in contracts with suppliers.

In parallel, our values and understanding of ethically sound behaviour for our own business operations are laid down in [METRO's Business Principles](#) and our Corporate Guideline on Human Rights and Environmental Concerns, which set binding standards for all METRO employees worldwide.

### **Social Compliance Risk Management System**

Across the Group, METRO is making long-standing efforts and recording successes in the promotion of human rights and environmental protection, for example in reducing our CO<sub>2</sub> emissions and in occupational safety. For own brand supply chains, there have been requirements to prove compliance with human rights for many years: Suppliers must provide evidence of social compliance standards in the form of audit reports and certifications.

On the occasion of the implementation of the legal requirements from the LkSG, human and environmental rights are now taken into consideration by means of a special social compliance risk management system. The focus is on the following rights and associated groups of people that are particularly relevant to our business model, whereby all other protected legal positions mentioned in the law are also taken into account, regardless of the focus of the risk analysis:

- Occupational health and safety;
- Freedom of association;
- Protection against discrimination;
- Reasonable wage.

In this context, we see potential threats to the human and environmental rights of the following groups of people in particular as a result of our business activities:

- Own employees of METRO AG and its affiliated companies including apprentices, temporary workers, interns, working students
- Employees of our business partners

The aim of this social compliance risk management system is to identify potential risks to human rights and environmental concerns, to prevent imminent risks, to minimise them and to put an end to violations or at least minimise their extent. In doing so, we focus on our own business operations and

the activities of our suppliers. We involve indirect suppliers if we become aware of a violation of a human rights or environmental obligation.

### **Risk analysis**

As part of the risk analysis, we regularly – and on incident basis – identify, weigh and prioritise the risks for human rights and environmental protection. In doing so, we distinguish between our own business operations and risks with direct contractual partners (and, if necessary, with indirect suppliers).

For relevant contractual partners, a classification and prioritisation is carried out on the basis of abstract and, if necessary, concrete risk factors in conjunction with our options for exerting influence. Depending on the type of contractual partner, country risks as well as industry risks can be taken into account and, if necessary, relevant information and reports from our whistleblower system that are available within the company can be included. If contractual partners exceed a defined threshold, they are individually addressed for the purpose of final classification and prioritisation on the basis of a variety of criteria, which in particular reflect the ability to influence as well as severity, probability and reversibility of a potential violation and the nature of our causal contribution.

With regard to our own business operations, the risk analysis is carried out by interviewing the human rights ambassadors appointed for the individual Group companies on the basis of a dedicated questionnaire as well as by evaluating reports from our whistleblowing system and by the human rights officers' own research. Classification and prioritisation are again conducted by the operational and strategic human rights officers and based on the criteria of influence as well as severity, probability and reversibility of a potential violation and the nature of our causal contribution.

Due to its function as a group holding and controlling unit, METRO AG has a specific structure of contractual partners that consists absolutely predominantly of traditional service providers such as management consultancies, law firms or similar based in Germany and specifically not of classic suppliers of goods. No fundamental risks with human rights and environmental relevance could be identified for these specific contractual partners or within our own business operations. Nevertheless, regular analyses are carried out in order to check that this investigation is up to date and thus to be able to continuously exclude or determine any risks and address them accordingly.

### **Prevention and remedial measures**

The risks identified and prioritised in the risk analysis are countered by preventive measures to minimise these risks. The focus of preventive measures for suppliers is normally on the further

development of the supplier in terms of minimising the identified risk, including the prevention of a violation of a human rights or environmental obligation.

Any violations of human rights and environmental concerns that have occurred or are imminent shall be countered without delay by a remedial measure with the aim of ending or preventing the violation or at least minimising its extent in accordance with the provisions of the LkSG.

All measures taken and/or planned follow the overarching concept of appropriateness and effectiveness as a core principle of the LkSG.

### **Complaints procedure**

METRO has established a group-wide process for reporting risks and violations. This is regulated in the Group Whistleblower Protection Guideline. In the event of violations of our fundamental principles relating to human rights or environmental concerns, as well as all other professional compliance matters, our employees can contact their supervisors, the Human Rights Officers or Human Rights Ambassadors or the Compliance Officers. In addition, our whistleblower system offers all employees, business partners, suppliers and their employees as well as stakeholders and third parties a confidential and - if desired - anonymous platform for enquiries and/or reports. The whistleblower system including rules of procedure and further information are also accessible via [www.metroag.de/en/about-us/compliance](http://www.metroag.de/en/about-us/compliance) and [www.responsibility.metroag.de/esg-priorities/ethics-and-trust/human-rights](http://www.responsibility.metroag.de/esg-priorities/ethics-and-trust/human-rights) as well as directly via: [www.bkms-system.net/metro/speakup](http://www.bkms-system.net/metro/speakup)

It is important for us that our suppliers are also aware of METRO's complaints mechanism and provide information about it along the rest of the supply chain.

Reported incidents affecting our business are promptly investigated and addressed by our experts so that appropriate action can be taken when needed. In doing so, we are committed to working both internally and in collaboration with our suppliers to address the impact of grievances together with initiatives and stakeholders and not to hinder access to other remedies.

### **Effectiveness**

At least once a year, the operational human rights officers review the effectiveness of the social compliance risk management approach, including the risk analysis, the prevention and remediation measures as well as the complaints procedure. While the respective human rights ambassadors are responsible for following up on the implementation of the measures in their own business operation, the operational human rights officers are responsible for the effectiveness review. If they find that measures taken are not effective, they ensure that further measures are taken.

### **Responsibilities for human rights due diligence processes**

The Management Board of METRO AG has appointed the Senior Vice Presidents of Corporate Responsibility & Public Policy and People & Culture Operations as strategic human rights officers. They are responsible for the social compliance risk management system as well as for the implementation of and compliance with legal due diligence requirements. They report directly to the Management Board. To support them, one additional operational human rights officer has been appointed from each of the respective areas. In addition, human rights ambassadors have been appointed for the own operations of the group companies of METRO AG to implement the social compliance risk management system there.

In addition, other specialised departments such as Legal, Compliance, People & Culture, Occupational Safety Officers or Procurement functions are involved in the implementation of the respective necessary steps.

### **Reporting**

The strategic human rights officers regularly report directly to the Management Board of METRO AG on the implementation of and compliance with human rights and environmental due diligence obligations as well as the function of the social compliance risk management system. In addition, the members of the ESG peer group, a committee made up of various departments affected by corporate responsibility topics such as procurement, quality assurance, business analytics and energy management, which is responsible for the strategic development of METRO's ESG agenda, receive regular reports from the human rights officers on the work of the social compliance risk management system.

METRO AG reports annually publicly on our website at <https://responsibility.metroag.de/esg-priorities/ethics-and-trust/human-rights> and to the enforcement authority on the social compliance risk management system.

### **Information and Training**

Our employees are informed about the elements and functions of this social compliance risk management system and trained accordingly. If necessary, our contractual partners are also informed accordingly and, if necessary, trained, e.g. within the framework of a measure.

### **Expectations of employees and suppliers**

We expect our employees to contribute to identifying and minimising human rights and environmental risks in the course of their work. This requires a basic understanding and awareness of the issues as well as the use of the processes we provide and compliance with the requirements.

Suppliers are expected to comply with all human and environmental rights applicable to them. Furthermore, the effective implementation of due diligence requires that suppliers are willing to cooperate with us.

### **Review and continuous further development**

Respect for human rights and environmental concerns and the implementation of the corresponding due diligence obligations is an important challenge for us that we want to work on continuously.

This includes the ongoing review of our processes for opportunities to update and further develop the approach defined in this policy statement.

It is also planned that METRO AG's internal audit department will regularly review the social compliance risk management system as part of its risk-oriented audit planning.

### **Contact**

Questions and comments on this policy statement or on human rights-related topics of METRO AG in general can be sent by e-mail to [metroag.lksg@metro.de](mailto:metroag.lksg@metro.de).

Düsseldorf, 15 July 2024

### **The Management Board of METRO AG**

Dr Steffen Greubel  
Chairman of the Management Board

Guillaume Deruyter  
Chief Customer and Merchandise Officer

Eric Riegger  
Chief Financial Officer

Christiane Giesen  
Chief Operating Officer and Labour Director