

# Principles for Human Rights

Within METRO own operations  
and its entire value chain

## 1. Commitment

***The respect of Human Rights is a fundamental value of METRO. We are committed to respecting all Human Rights, as articulated in the Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO). This commitment relates to our own employees as well as to our business relations within our value chain.***

We are signatory of the United Nations (UN) Global Compact thus support the UN Guiding Principles on Business and Human Rights as well as the UN Sustainable Development Goals. Consequently, METRO embedded these values in its Business Principles 6 and 7.

METRO strives to be a sustainable and responsible company and create a work environment which is inclusive of all people regardless of gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or other areas of potential difference.

Our standards are aligned with internationally recognised principles and fulfil or exceed existing laws and regulations.

We recognise that our corporate actions affect our stakeholders and thus can also have an effect on our business in return.

We do not tolerate or condone the abuse of Human Rights within any part of our own business operations or our value chains, and we will take seriously any allegations that Human Rights are not properly respected. In particular, METRO commits to prevent/respect:

Human trafficking, forced labour, child labour, freedom of association, the right to collective bargaining,

equal pay, living wages and discrimination.

## 2. Process

### A. Business Partners in the Value Chain

Before entering a business relationship all our business partners are screened and additionally, all Own-Brand Suppliers have to provide for a valid and acceptable audit by the amfori Business Social Compliance Initiative (BSCI), Sedex SMETA and/or by any further benchmarked and METRO-accepted social compliance standard. To monitor and manage the status of Own-Brand Suppliers a METRO specific database was set up.

Those METRO buyers involved in the process are trained on our internal social compliance process, e.g. supported by an e-learning program.

For our business partners in the value chain, we have specifically established a “deal breaker process” for those who are not in line with our “deal breaker requirements” regarding

- Child labour
- Forced labour
- Fire safety failings (leading to imminent and significant danger) or
- Unethical behaviour.

Any deal breaker incident leads to suspension of the supplier and its respective producer until a valid and

acceptable social standard audit can be proven.

We expect our business partners to adopt and adhere to similar values. Therefore, compliance with our Business Partners Code of Conduct is part of each business relationship. This Code of Conduct covers compliance with Human Rights, labour and social issues, environmental protection as well as business ethics, precisely anti-corruption and bribery, antitrust and competition as well as data protection. Furthermore, all our Own-Brand contracts include a social standard clause which provides for a legal lever.

### B. Our own employees

For our own employees and service providers operating within our owned and rented facilities, we have established an internal assessment process taking the aspects of the Principles on Fair Working Conditions and Social Partnership, as well as Data Protection and Grievance Mechanisms into account. We ensure that our sales lines and their national subsidiaries comply with the principles on fair working conditions by reviewing our regional headquarters, stores and logistics centres. In order to improve the working conditions in the national subsidiaries, corrective action plans are defined with the local colleagues, in which substantive measures with

clear responsibilities and timetables are defined and executed. The focus is on entering into a dialogue with the companies and promoting the knowledge sharing in order to learn from one another, not only with regard to working conditions but also in terms of dialogue with employee representatives. The overview of the assessed countries as well as the summary of the results is communicated on the website as well as in the annual Corporate Responsibility Report.

Since the start of Covid-19 pandemic we have changed our audit procedure and we conduct online surveys now. These are supplemented with limited audit procedures at selected METRO companies.

We also committed to moving forward as a sustainable company while maintaining a safe and healthy work environment for our employees, contractors and customers.

We have set up a group-wide Operational Safety Management System (OSMS) for METRO. It structures the safety universe in accordance with the requirements of ISO 45001 "Occupational health and safety management systems". The OSMS manages and controls the interrelated processes of different business activities at METRO, enabling METRO to fulfil its safety-related obligations as operator.

Continuing management commitment and rigorous application of safety systems and procedures, combined with ongoing training, have driven progress in injury and illness reduction.

### 3. Governance, due diligence and reporting

#### A. Governance

In order to comply with the described commitment and respective processes METRO established OHS managers and compliance officers in each country where METRO operates as well as an overarching Sustainability management that serves the purpose of systematically and structurally anchoring the notion of sustainability in our core business operations and to consider the interdependencies between economic, environmental and social aspects in an efficient, solution-driven manner. The METRO Sustainability Committee charts the strategic course for the entire company's sustainability-related performance and develops targets for core issues. On the operational level, specific goals and programmes are defined and put into practice for daily business operations in order to ensure that the objectives are reached. On country level each a Corporate Responsibility Responsible is established in order to mirror our governance structure.

#### B. Due Diligence

Our sustainability management is closely tied to our management of risks and opportunities. This enables METRO's Management Board to systematically identify, evaluate and control deviations from the sustainability goals and the ensuing risks and opportunities. Particularly for METRO's self-imposed guidelines on fair working conditions and social

partnership a due diligence procedure was established to ensure adherence to those very principles. It is based on the obligation to implement those principles and contains the inclusion of interest groups, training opportunities, the examination of risks and negative impacts in METROs operating countries and measures for the prevention, correction and control of violations of these principles.

<https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=13MET20&language=eng>

All reported incidents are investigated by our experts and processed in due time.

### C. Reporting

We promote Human Rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGP) and regularly report on Human Rights and ILO principles within our annual Corporate Responsibility report as well as the UN Global Compact progress reporting.

## 4. Complaint Mechanisms

Our employees can consult their managers as well as company compliance officers. In 2016 METRO established a publicly available tool which allows any company or individual person involved in our business activities to report situations that are not in compliance with METRO values, policies and/or legal regulations. The website is accessible through the METRO Compliance page:

<https://www.metroag.de/en/company/compliance>

as well as directly: