

METRO AG

FDR Food & Staples Retailing

Member of DJSI World, DJSI Europe

Company Information

| | |
|---------------------------|---------|
| Country | Germany |
| Market cap (USD million)* | 3,260 |

*Source: S&P Global BMI, 31 July 2017

Company Description

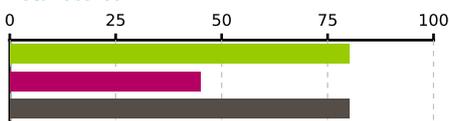
METRO GROUP comprises a group of strong and independent sales brands such as METRO/MAKRO Cash & Carry, Media Markt, Saturn and Real hypermarkets. With these leading international players in self-service wholesale trade, its consumer electronics stores in Europe, and one of the leading hypermarket operators in Germany, the German conglomerate is a leader in its industry. METRO GROUP'S strategy is to generate long-term sustainable growth by focusing on creating value for customers, and its five guiding principles – transform, grow, improve, expand and innovate – provide it with a strategic framework for its business activities. The group operates in 35 countries, employing over 195,000 people across its global operations, and generating over EUR 58 billion in revenues. (Please note: METRO's performance was assessed for METRO GROUP as a whole prior to the July 2017 de-merger. As the de-merger took place after the CSA was complete, both METRO AG & CECONOMY AG will share this honor.)

Industry Drivers

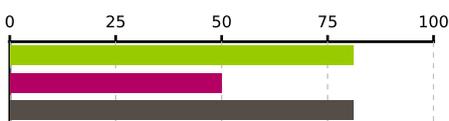
As a result of the intense competition for market share, the food & staples retailing industry has consolidated over the past few years, maintaining a high level of M&A activity. Retailers with expanded offerings of private label or store brands have benefited from higher margins. In addition, the sector has had to expand and adapt product offerings to suit the more health-conscious consumer as the health and wellness movement evolves from niche trend to mainstream retailers. As international sourcing of food and ingredients remains high, food retailers need to further improve the efficiency and transparency of their supply chains. Furthermore, investments in data analysis and IT systems will be necessary for retailers in order to analyze consumer trends more closely and control working capital more efficiently. The expiration of drug patents will continue to generate revenue and growth as drug retailers (also included within the sector) are able to provide consumers with generic alternatives to name brand blockbusters. Drug retailers and consumers alike have already enjoyed significant cost savings with the availability of a wave of generic drugs. Moreover as the debate over the high cost and inadequate access to healthcare rages, the convenience offered by retail outlets and in-store clinics provides an ideal solution for affordable, basic health care.

Sustainability Scores

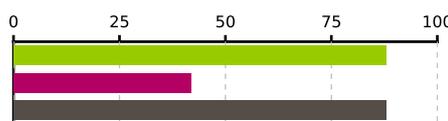
Total Scores



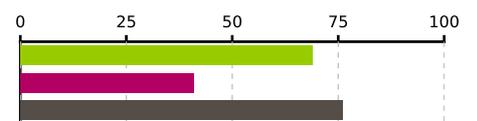
Economic Dimension



Environmental Dimension



Social Dimension



■ Industry best score ■ Industry average score ■ METRO AG

Sustainability Performance

METRO's sustainability efforts are integrated into a clear vision: "we will become sustainable in everything we do." Sustaining its commitment to operational eco-efficiency in 2016, the company achieved all of its ambitious targets for reduction in energy and water consumption, GHG emissions, and waste. Maintaining its status as industry group leader, the company particularly improved with respect to Water Related Risks. METRO's engagement and cooperation with suppliers around their water strategy and footprint stresses the topic's importance throughout the supply chain. METRO continuously enhances employees' awareness of sustainable behavior by integrating sustainability into training, and makes a laudable effort to connect its employees to the community by financially supporting organizations where METRO employees volunteer their time assisting refugees.

Company Performance for Selected Criteria



■ Industry best score
 ■ Industry average score
 ■ METRO AG
 For more information on assessment criteria, please visit www.robecosam.com/csa

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