

REWE GROUP

Sustainability Report 2021

based on the standards of the GRI

DOWNLOAD VERSION

The complete REWE Group Sustainability Report 2021
can be found at www.rewe-group-nachhaltigkeitsbericht.de/2021/en.



GRI 102-14

Foreword by Lionel Souque



**Ladies and Gentlemen,
dear partners and friends of the REWE Group,**

In late April 2022, our REWE Group Dialogue Forum was able to take place again for the first time since the onset of the pandemic over two years ago. Held as a hybrid event, it was an important step in our personal and constructive exchange with our stakeholders during these challenging times.

Professor Hans Joachim Schellnhuber, one of the world's most distinguished climate researchers and Director Emeritus of the Potsdam Institute for Climate Impact Research, held a keynote speech in which he called for far greater determination in our efforts to protect the climate. In his impressive lecture, he demonstrated with great expertise and fervour how little time we have left to limit climate change to a manageable level. As dramatic as the challenges ahead of us may be, however, the outlook for the future remains optimistic: We are still in a position to achieve a radical reduction in greenhouse gas emissions within this decade. But as Schellnhuber emphasised: "The time to act is now!"

For us at the REWE Group, this sentence is both a mandate and a motivation. Global warming and loss of biodiversity are without a doubt the two greatest ecological problems of our time – and they both have a direct impact on our nutritional security, which means we cannot afford to put them off. We consider it our responsibility as a company to do our part in helping to alleviate these problems. REWE is therefore going to support the new NABU climate fund of our long-standing partner NABU with at least 25 million euros over the next five years. Together we are launching the largest moorland restoration project for agricultural use in Germany, and we believe that strengthening and creating natural carbon sinks has huge potential to effectively protect the climate.

Another major milestone on our journey: The REWE Group intends to purchase green electricity from a new offshore wind farm in the North Sea from 2025 onwards. Energy supply plays a strategic role in the context of our climate goals: We are a green power pioneer in the German food retail sector. Our stores have been completely using power produced from renewable sources since 2008. By signing a corporate power purchase agreement (CPPA) for the new Borkum Riffgrund 3 wind farm, we are now the first food retailer to go one step further: We are directly promoting the expansion of renewable energies and taking on process responsibility as well as a more active role within the energy transition.

Moreover, we want to make it easier for our customers to opt for electric mobility by massively expanding the electric charging station infrastructure – because we will only succeed in stopping climate change if we as a society undertake maximum efforts in all areas of life. That is why we are increasingly relying on state-of-the-art fast-charging stations that allow our customers to conveniently charge their electric vehicles while they shop. This, I am sure, is just what is needed to further accelerate the spread of electric vehicles. Our goal is to establish one of the largest and most modern fast-charging networks in Germany – with at least 2,000 fast-charging stations and 4,000 additional charging stations at selected REWE and PENNY stores throughout Germany by the end of 2024.

Dear readers, these are just a few examples to show you that we are continuing to take responsibility and use our own innovative strength to actively tackle challenges and develop solutions. Some 15 years have passed since we decided, out of conviction, to pursue the goal of becoming an ever more sustainable company. This is how we know that doing business – and living – in a more sustainable way is an ongoing process. And the last two years in particular have shown us just how quickly we can be stripped of what we believed to be certainties.

In times like these, it is therefore more important than ever to show solidarity and hold together. On this note, I would like to express my particular gratitude once again to all employees of the REWE Group in Germany and abroad, as well as to our independent retailers, whose extraordinary commitment has ensured that our company has come through the crisis largely unscathed up to this point. And more than that: In moments of deep despair – such as the catastrophic floods in the Ahr valley in the summer of 2021 or the terrible war of aggression on Ukraine – their willingness to help knows no bounds. From donating goods and money, to organising relief transports at short notice, to providing permanent voluntary support: The commitment of our employees makes me very proud indeed.

As a cooperative company that has been in business for 95 years, sustainability for us means, above all, taking responsibility for what we do and for the impact of our decisions on future generations. The values of solidarity, community and sustainability are firmly anchored in our corporate culture. Our core business, retail and tourism,

directly affects the lives of millions of people every day – in Germany and Europe as a whole. That is why it is important for us to take a clear stand for a sustainable society – you can count on that now and in the future.

I hope you enjoy reading our Sustainability Report 2021 and find it informative and interesting!

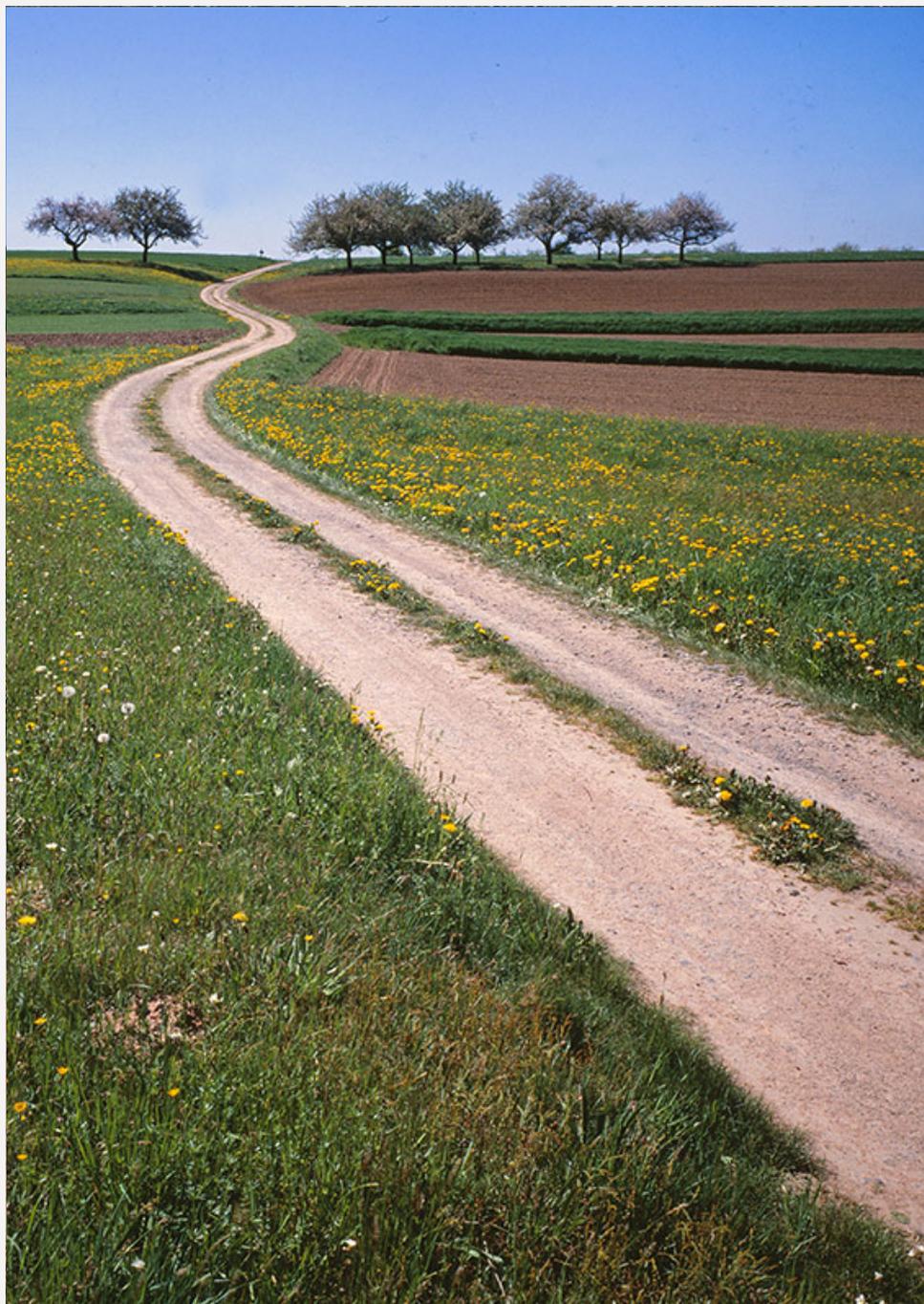
Best regards,

Lionel Souque

Chief Executive Officer

Goals and KPIs at a Glance

The REWE Group has defined key figures and clear goals within its four pillars of sustainability. This makes it possible to measure progress and adjust measures if necessary. The most important KPIs and goals are presented below. As raw material production and product processing are highly relevant in terms of sustainability criteria, they are summarised separately.



Green Products

Topic	Goals	Status	Measures
Training programme for better working conditions	Fully integrate strategically relevant production sites for the store brands of REWE, PENNY Germany and toom into a training programme (capacity building) by the end of 2030	↻	See the section Social Aspects in the Supply Chain
Complaint mechanism	Improve access to complaint mechanisms in relevant supply chains for the store brands of REWE, PENNY Germany and toom by the end of 2025	↻	
Environmental programme	Fully integrate relevant food and non-food producers for the store brands of REWE, PENNY Germany and toom into an environmental programme by the end of 2030	↻	See the sections Environmental Aspects in the Supply Chain and Packaging
Packaging	100% more environmentally friendly store brand packaging by the end of 2030 ¹	↻	
Greenhouse gas emissions in the supply chain	Reduce absolute greenhouse gas emissions in the supply chains for store brand products of REWE and PENNY Germany by 15% by the end of 2030 (compared to 2019)	↻	See the section Climate Protection in the Supply Chain
Nutrition	Increase Nutri-Score labelling on relevant ² store brand products of REWE and PENNY Germany to 80% by mid-2022 and 100% by mid-2023	↻	See the section Nutrition

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

¹ This goal applies to the REWE Group in Germany (REWE, PENNY, toom Baumarkt DIY stores) and, since 2019, also to the international sales lines (BILLA, BILLA PLUS, PENNY and ADEG).

² Not relevant are, for example, mono-products such as rice, potatoes or flour, as well as products that have no added sugar/salt, such as mineral waters, cooking oils or vinegar.

Energy, Climate and the Environment

Topic	Goals	Status	Measures
Greenhouse gas emissions on a company level	Reduce absolute greenhouse gas emissions for all countries and companies of the REWE Group by 30% by 2030 (compared to 2019) Achieve climate neutrality for all countries and companies of the REWE Group by 2040	-7.3%	See the section Climate Protection on a Company Level

¹ The calculation of emission intensity includes direct, indirect energy-related and further indirect emissions (Scope 1, 2 and 3). For more information, see the also section [Climate Protection on a Company Level](#).

Topic	Goals	Status	Measures
	Total greenhouse gas emissions for all countries and companies of the REWE Group incl. independent retailers (Scope 1 to 3) in tonnes of CO ₂ equivalents	1,359,106	
	Reduce refrigerant-related greenhouse gas emissions for all countries and companies of the REWE Group by 60% by 2030 (compared to 2019)	-18%	
Electricity consumption	Reduce electricity consumption per square metre of sales area by 10% by 2030 (compared to 2019)	- 5.2%	See the section Energy
Energy consumption	Energy consumption for all countries and companies of the REWE Group incl. independent retailers (in GWh)	6,768.24	
Fuel consumption and greenhouse gas emissions ¹ in logistics	Fuel consumption (lorries/vehicles) for all countries and companies of the REWE Group incl. independent retailers (in GWh)	1,355	See the section Logistics and Mobility
	Absolute greenhouse gas emissions in logistics incl. external shipping logistics for all countries and companies of the REWE Group incl. retailers in tonnes of CO ₂ equivalents	445,275	
Non-hazardous waste	Absolute volume of non-hazardous waste generated by companies of the REWE Group in Germany and Austria excluding retailers in tonnes	871,799	See the section Waste
Stores certified in accordance with DGNB e. V.	Completed stores built in accordance with DGNB e. V. requirements (green building)	315	See the section Green Building

¹ The calculation of emission intensity includes direct, indirect energy-related and further indirect emissions (Scope 1, 2 and 3). For more information, see the also section Climate Protection on a Company Level.

Employees

Topic	Goals	Status	Measures
Training percentage	Keep the training percentage (trainees as a percentage of the total workforce in full-time equivalents) at 5.4% until 2025	5.6%	See the section Training and Education
Internal staffing	Increase the level of internally staffed management positions to 80.0% by 2025	75.1%	
Gender ratio	Achieve a balanced gender ratio in management positions by 2025	45.3% female, 54.7% male	See the section Diversity and Equal Opportunity

¹ The employment rate of people with disabilities is calculated by headcount and therefore has a different calculation basis than when determining the mandatory share of employed people with severe disabilities according to Section 154, Book IX of the Social Welfare Code (SGB) (Germany). The decision to calculate the employment rate of people with disabilities by headcount was made in order to be able to determine a uniform key figure for all countries (Germany and Austria). Individuals with disabilities are defined according to Section 2 of the German Social Welfare Code and the Austrian Disabled Persons Employment Act (BEinstG).

Topic	Goals	Status	Measures
Accidents	Reduce the number of accidents per 1,000 full-time equivalents to 43.5 by 2025	48.8	See the section Occupational Health and Safety Management
Employment rate of individuals with disabilities	Keep the employment rate of individuals with disabilities ¹ at a level of at least 3.0% until 2025	3.0%	See the section Diversity and Equal Opportunity

¹ The employment rate of people with disabilities is calculated by headcount and therefore has a different calculation basis than when determining the mandatory share of employed people with severe disabilities according to Section 154, Book IX of the Social Welfare Code (SGB) (Germany). The decision to calculate the employment rate of people with disabilities by headcount was made in order to be able to determine a uniform key figure for all countries (Germany and Austria). Individuals with disabilities are defined according to Section 2 of the German Social Welfare Code and the Austrian Disabled Persons Employment Act (BEinstG).

Social Commitment

Topic	Goals	Status	Measures
Long-term projects	Share of long-term projects (> two years)	94%	See the section Projects and Sponsorships
Nutrition and exercise	Number of children and adolescents reached	68,528	
Children and adolescents	Number of children and adolescents reached	31,225	
Vigilant approach to food	Sponsorships and donations in support of Tafel food banks in Germany and Austria	€682,227	
Biodiversity and environmental protection	Project total in the financial year	€2,291,691	See the sections Projects and Sponsorships and Biodiversity

Raw Materials in Focus and Products

Topic	Goals	Status	Measures
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↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ Figures exclude near- and non-food, tobacco and alcoholic beverages.

² Self-service and service counters.

³ Data for this goal will be collected as of the next financial year.

⁴ These items include the product groups of chocolate tablets and bars, pralines, Easter and Christmas sweets. Nut/nougat spreads and instant cocoa cannot be determined automatically in the context of this survey, which is why these items are not included in the scope of reporting.

⁵ The purchasing volume is the number of sales units of the purchased store brand products.

⁶ Where possible, at least 20 per cent recycled material from waste collected via the yellow sack.

Topic	Goals	Status	Measures
Bananas/pineapples	100% certified bananas (Rainforest Alliance, Fairtrade, organic) and pineapples (Rainforest Alliance, organic) at REWE and PENNY Germany by the end of 2016	✓	See the section Raw Materials in Focus – Food
Cotton and textiles	100% cotton textiles certified according to Cotton made in Africa and GOTS at REWE, PENNY and toom Baumarkt DIY stores in Germany by the end of 2025	98%	See the section Raw Materials in Focus – Non-Food
Organic	Net sales value of organic store brand and manufacturer brand products ¹ as a percentage of the net sales value of all store brand and manufacturer brand products sold by REWE and PENNY in Germany	8%	See the section Organic
	Net sales value of organic store brands ¹ of REWE and PENNY in Germany as a percentage of the net sales value of all store brands	16%	
	Net sales value of “REWE Bio” ¹ products as a percentage of the net sales value of all store brand products at REWE	19%	
	Net sales value of “PENNY Naturgut” ¹ products as a percentage of the net sales value of all store brand products at PENNY	7%	
Biodiversity measures in fruit and vegetable cultivation	Area of planted and enhanced flower strips (in hectares)	888	see the section Biodiversity
	Number of nesting boxes and nesting aids for birds and bats	13,300	
	Number of insect nesting aids	6,500	
German origin	95% conventional pork of German origin (5xD = the pigs are born, reared, fattened, slaughtered and processed exclusively in Germany) among the store brands of REWE and PENNY Germany by summer 2022	↻	See the section Regionality
Eggs	100% organic fresh eggs of the “Spitz & Bube” brand at REWE Germany by the end of 2020	✓	See section Animal Welfare
	100% eggs free of chick culling among REWE Germany’s store brands by the end of 2021	✓	
Fish	100% store brand fish products (frozen, convenience, fresh and canned) at REWE and	88%	See the section Raw Materials in

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

¹ Figures exclude near- and non-food, tobacco and alcoholic beverages.

² Self-service and service counters.

³ Data for this goal will be collected as of the next financial year.

⁴ These items include the product groups of chocolate tablets and bars, pralines, Easter and Christmas sweets. Nut/nougat spreads and instant cocoa cannot be determined automatically in the context of this survey, which is why these items are not included in the scope of reporting.

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⁶ Where possible, at least 20 per cent recycled material from waste collected via the yellow sack.

Topic	Goals	Status	Measures
	PENNY in Germany certified according to the Marine Stewardship Council (MSC), GLOBALG.A.P., Aquaculture Stewardship Council (ASC) or with organic certification, if available		Focus – Food and the Guideline on Fish and Seafood
	In the long term, 100% store brand fish mono-products at REWE and PENNY in Germany with tracking codes on the packaging	84%	
Fresh meat²	100% fresh meat ² (beef, pork & poultry) from at least livestock farming system 2 among REWE's and PENNY Germany's store brands by the end of 2025	63%	See the section Animal Welfare
	100% fresh meat ² (beef, pork & poultry) from at least livestock farming system 3 among REWE's and PENNY Germany's store brands by the end of 2030	8.5%	
Processed meat products	100% processed meat products (sausage, incl. canned, frozen and convenience) from at least livestock farming system 2 among REWE's and PENNY Germany's store brands by the end of 2025	↻	
Fresh milk	100% fresh milk from Austria and Germany among the store brands of REWE and PENNY Germany by the end of 2021	✓	See the section Animal Welfare
Drinking milk	100% drinking milk from at least livestock farming system 2 among REWE's and PENNY Germany's store brands by the end of 2025	— ³	See the section Animal Welfare
	100% drinking milk from at least livestock farming system 3 among REWE's and PENNY Germany's store brands by the end of 2030		
Wood and paper	100% store brand wood and paper products in the non-food sector at REWE and PENNY in Germany featuring Blauer Engel (Blue Angel), FSC Recycled, PEFC Recycled, FSC 100%, PEFC™ or FSC Mix certification by the end of 2025	99%	See the section Raw Materials in Focus – Non-Food
	100% store brand wood and paper products in the near-food sector at REWE and PENNY in Germany featuring Blauer Engel (Blue Angel), FSC Recycled, PEFC Recycled, FSC 100%, PEFC™ or FSC Mix certification by the end of 2020	✓	
Coffee	100% store brand coffee products at REWE and PENNY in Germany featuring Rainforest Alliance,	✓	See the section Raw Materials in

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ Figures exclude near- and non-food, tobacco and alcoholic beverages.

² Self-service and service counters.

³ Data for this goal will be collected as of the next financial year.

⁴ These items include the product groups of chocolate tablets and bars, pralines, Easter and Christmas sweets. Nut/nougat spreads and instant cocoa cannot be determined automatically in the context of this survey, which is why these items are not included in the scope of reporting.

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Topic	Goals	Status	Measures
	organic or Fairtrade certification by the end of 2020		Focus – Food and the Guideline on Coffee
Cocoa	100% certified cocoa among REWE and PENNY Germany store brands by the end of 2020	99%	See the section Raw Materials in Focus – Food and the Guideline on Cocoa Products
	100% Fairtrade-certified chocolate products and sweet baked goods ⁴ among the store brands of REWE and PENNY Germany	✓	
Cosmetic products	100% microplastic-free cosmetic products as per the REWE Group understanding defined in our guidelines among the store brands of REWE and PENNY in Germany by the end of 2020	✓	See the section Water and the Guideline on Microplastics in Cosmetic Products
	100% cosmetic products free of focused synthetic and semi-synthetic polymers in dissolved/gel-like/liquid form as per the REWE Group understanding defined in our guidelines (if this is possible without loss of performance) among the store brands of REWE and PENNY in Germany by the end of 2020	99.89%	
Nordmann firs	100% Nordmann firs which are fairly grown “Fair Trees” at toom Baumarkt DIY stores in Germany	✓	See the section Raw Materials in Focus – Non-Food
Palm oil	100% RSPO-certified palm (kernel) oil among the store brands of REWE and PENNY Germany, in Austria and at Lekkerland	✓	See the section Raw Materials in Focus – Food and the Guideline on Palm Oil
	Purchase of 100% at least segregated certified palm (kernel) oil by 2018 and 100% at least mass balance certified fractions and derivatives by 2020	99%	
PRO PLANET	Number of PRO PLANET products at REWE and PENNY in Germany ⁵	1,373	See the section PRO PLANET
	25% of REWE’s and PENNY’s store brands in Germany to carry the PRO PLANET label by the end of 2025 ⁵	9%	
	Number of PRO PLANET products at toom Baumarkt DIY stores in Germany	884	
REWE regional concept	Number of products at REWE stores in Germany	842	See the section Regionality
	Number of “Da komm ich her” (That’s where I’m from) regional concept products at BILLA, BILLA	200	

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

¹ Figures exclude near- and non-food, tobacco and alcoholic beverages.

² Self-service and service counters.

³ Data for this goal will be collected as of the next financial year.

⁴ These items include the product groups of chocolate tablets and bars, pralines, Easter and Christmas sweets. Nut/nougat spreads and instant cocoa cannot be determined automatically in the context of this survey, which is why these items are not included in the scope of reporting.

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⁶ Where possible, at least 20 per cent recycled material from waste collected via the yellow sack.

Topic	Goals	Status	Measures
	PLUS and Sutterlüty in Austria		
Juices (formerly orange juice)	50% of all store brand juices, nectars and fruit juice drinks at REWE and PENNY Germany (excluding promotional, seasonal and regional items) to carry Rainforest Alliance, Fairtrade, Naturland, organic, SAI FSA Bronze/ Silver/Gold or GLOBALG.A.P. certification by the end of 2025	↻	See the section Raw Materials in Focus – Food and the Guideline on Juices
	100% orange and pineapple direct juice at REWE and PENNY in Germany to carry Rainforest Alliance or organic certification by 2025	✓	
Soy as animal feed	Share of store brand fresh milk and UHT milk products bearing the seal of the Verband für Lebensmittel ohne Gentechnik e.V. (VLOG) (German Association of Non-Genetically Modified Foods) at REWE and PENNY in Germany	✓	
Tea	100% certified herbal and fruit tea products (with at least 30% certified raw ingredients) among the store brands of REWE and PENNY Germany by the end of 2025	93%	See the section Raw Materials in Focus – Food and the Guideline on Tea Products
	100% certified black and green tea among the store brands of REWE and PENNY Germany by the end of 2020	✓	
Peat-free soil	100% elimination of peaty soils from store brands and brand products at toom Baumarkt DIY stores in Germany by 2025	↻	See the section Raw Materials in Focus – Non-Food
Packaging	100% store brand PET packaging in the detergents and cleaning products sector made of recycled material ⁶ at REWE and PENNY Germany by the end of 2021	95%	See the section Packaging and the Guideline on More Eco-Friendly Packaging
	On average, 50% recycled material content in non-refillable PET beverage bottles among the store brands of REWE and PENNY Germany by the end of 2023	38%	
	20% reduction in the amount of plastic used in store brand packaging at REWE and PENNY in Germany by the end of 2025 (compared to 2015)	-22%	
	100% of the plastic store brand packaging at REWE and PENNY Germany to be recyclable by the end of	↻	

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

¹ Figures exclude near- and non-food, tobacco and alcoholic beverages.

² Self-service and service counters.

³ Data for this goal will be collected as of the next financial year.

⁴ These items include the product groups of chocolate tablets and bars, pralines, Easter and Christmas sweets. Nut/nougat spreads and instant cocoa cannot be determined automatically in the context of this survey, which is why these items are not included in the scope of reporting.

⁵ The purchasing volume is the number of sales units of the purchased store brand products.

⁶ Where possible, at least 20 per cent recycled material from waste collected via the yellow sack.

Topic	Goals	Status	Measures
	2025		
	100% certified paper packaging at REWE and PENNY Germany by the end of 2020	✘	

↻ In progress ✓ Goal attained – Not available ✘ Goal not attained

¹ Figures exclude near- and non-food, tobacco and alcoholic beverages.

² Self-service and service counters.

³ Data for this goal will be collected as of the next financial year.

⁴ These items include the product groups of chocolate tablets and bars, pralines, Easter and Christmas sweets. Nut/nougat spreads and instant cocoa cannot be determined automatically in the context of this survey, which is why these items are not included in the scope of reporting.

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GRI 102-1 – 102-7, 102-10

REWE Group Portrait

GRI 102-1: Name of the organization

GRI 102-3: Location of headquarters

GRI 102-5: Ownership and legal form

Company structure

The cooperative REWE Group is an international group of trade and tourism companies. REWE (Revisionsverband der Westkaufgenossenschaften) was established in 1927 by 17 purchasing cooperatives. The REWE Group is proud of its cooperative roots. The Supervisory Board, shareholders, retailers and the Management Board of the REWE Group view the long-range cooperative structure as a guarantee of independence and self-determination. In 2007, this commitment was reaffirmed in the Travemünde Declaration. The headquarters of the REWE Group has been located in Cologne ever since the company was established in 1927.

REWE-ZENTRALFINANZ eG, Cologne, (RZF) and its subsidiaries jointly form the RZF Combine (hereinafter referred to “combine”) and the REWE Group, an international trade and tourism company, along with all cooperatively organised independent retailers (listed in the combine as associated companies at equity).

As of 31 December 2021, RZF comprised 287 Germany-based subsidiaries (previous year: 275) and 166 international subsidiaries (previous year: 171).

GRI 102-2: Activities, brands, products, and services

GRI 102-4: Location of operations

GRI 102-6: Markets served

GRI 102-7: Scale of the organization

GRI 102-10: Significant changes to the organization and its supply chain

Markets and countries with business activities

In 2021, the REWE Group did business in 21 European countries with about 380,000 employees (previous year: 384,000). Total external revenue rose to 76.5 billion euros in 2021 (previous year: 74.6 billion euros).

The combine's business activities are broken down into six business segments, which are divided in turn into divisions and business units. The combine does business in the business segments described below with the following brands, amongst others:

RETAIL GERMANY	
RETAIL INTERNATIONAL	
CONVENIENCE	
DIY STORE	
TRAVEL AND TOURISM	
OTHER	

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The **Trade Germany** business segment comprises the divisions REWE, PENNY Germany and Trade Germany Central Businesses.

The REWE division is active in both retail and wholesale. A total of 1,655 supermarkets and consumer stores are operated under the brands REWE and REWE CENTER. In the wholesale business, a total of 2,722 REWE and REWE Dortmund retailers are supplied along with nahkauf stores and other major customers. REWE is also involved in online business activities via the REWE delivery service offered on REWE.de.

A total of 2,136 discount stores are operated under the PENNY sales brand in the PENNY Germany division.

The division known as Trade Germany Central Businesses includes the production and sale of baked goods under the Glocken Bäckerei brand name, the production of meat and sausage products under the Wilhelm Brandenburg brand name, domestic and international product companies, online retailing (ZooRoyal and Weinfreunde) and e-commerce services (REWE Digital). It also includes domestic real-estate companies.

The **Trade International** business segment comprises the divisions Full Product Range Austria, Full Product Range CEE and PENNY International. A total of 2,765 supermarket and consumer stores are operated by Full Product Range Austria and CEE. In Austria, stores are operated under the brands BILLA and ADEG. The wholesale business supplies 362 ADEG retailers. Trade International also operates its BILLA supermarket format in Bulgaria, Slovakia and the Czech Republic. Health and beauty shops are operated under the BIPA brand name in Croatia and Austria and supermarkets under the IKI brand name in Lithuania.

The PENNY International division operates the brands PENNY MARKT and PENNY MARKET at a total of 1,636 locations in Italy, Austria, Romania, the Czech Republic and Hungary.

The **Convenience** business segment comprises the divisions Convenience Germany, Convenience International and Convenience Central Businesses. In the divisions Convenience Germany, to which the 16 REWE To Go shops are assigned, and Convenience International, enjoyable on-the-go products are supplied to petrol station shops, department stores, food and beverage shops, fast-food chains, kiosks, canteens, bakeries and other providers. More than 74,500 sales locations are supplied. The Convenience business segment operates in Germany and the Netherlands under the name Lekkerland and in Belgium and Spain under the name Conway. The division Convenience Central Businesses comprises central and IT services.

Tourism is the second core business of the REWE Group. This activity is conducted under the umbrella of the DER Touristik Group, one of Europe's leading travel companies. The DER Touristik Group comprises more than 130 companies. It employs 9,400 people in 16 European countries. Each year, millions of guests take trips arranged by one of its tour operators or specialists. The DER Touristik Group includes the tour operators DERTOUR, Jahn Reisen, ITS, Meiers Weltreisen, Travelix, Kuoni, Helvetic Tours, ITS Coop Travel, Billa Reisen, Koning Aap, Apollo, Exim Tours and Fischer; more than 2,300 travel agencies (including DERTOUR, DERPART, Kuoni, Exim, Fischer as well as franchise and cooperation partners); the hotel brands Sentido, Aldiana, Calimera and Cooee; as well as the online travel portal Prijsvrij Vakanties. DER Touristik Group also offers on-site support to its guests: With 74 offices, the group's agency network is present in 29 destination countries. The employees of the destination agencies support the guests of the DER Touristik Group from the time they arrive until the time they depart a holiday location.

The **DIY Stores** business segment operates 279 stores in Germany under the brands toom Baumarkt and B1 Discount Baumarkt. As part of its wholesale business, it also supplies 37 retailers and franchisees.

The **Other** business segment comprises central services of the parent company and various subsidiaries for combine companies and third parties. These primarily involve procurement functions (product wholesale and warehousing), central settlement, del credere-assumptions, IT services, energy trading and combine financing and coordination of combine-wide advertising activities.



GRI 102-8, 102-41

Employee Structure

GRI 102-8:

Information on employees and other workers

The total number of employees in the REWE Combine in Germany and Austria, including independent retailers (the scope of the Sustainability Report), remained constant at about 264,000 between 2020 and 2021. The REWE Group currently employs about 380,000 people throughout Europe.

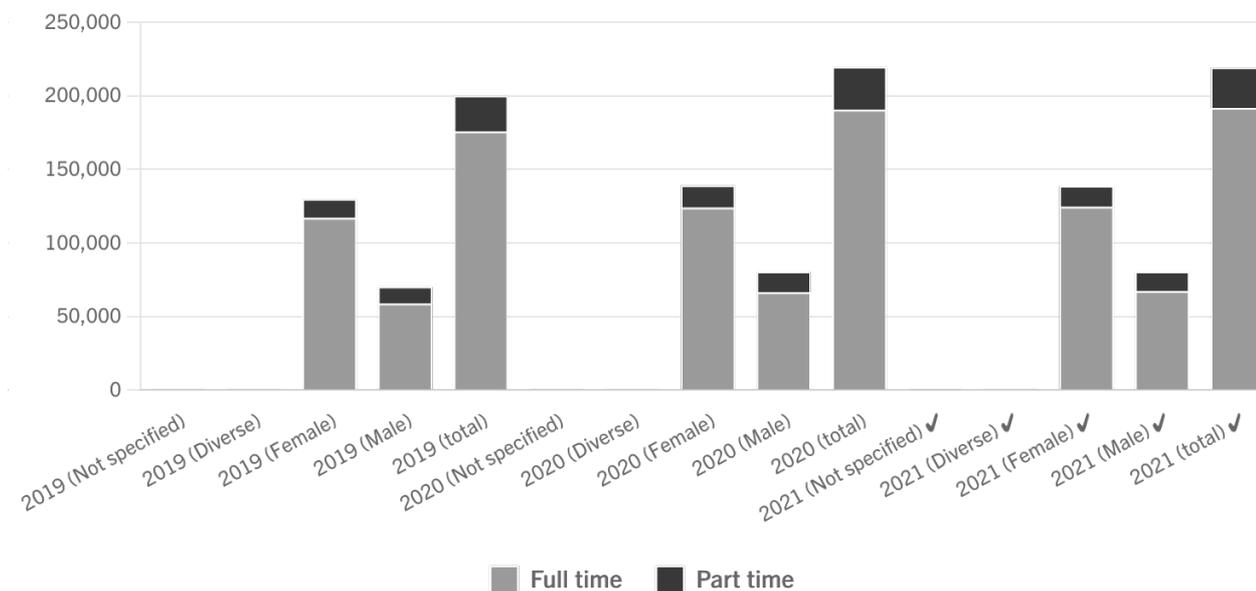
The scope of this report also includes about 72,000 people who are employed by independent REWE retailers. REWE independent retailers predominantly operate their stores in accordance with the REWE partnership model. For this purpose, REWE and the individual retailer jointly establish a general mercantile partnership. The key figures cover all retailers who can be recorded via a central accounting system – a figure that totals about 95 per cent.

Not included in this are the other foreign companies of the REWE Group, national and international companies that are not part of the combine, independent retailers, REWE Dortmund SE, akzenta, REWE Spedition und Logistik GmbH and the small companies Mayflor, ZooRoyal and Eurogroup in Germany as well as ADEG and Sutterlüty in Austria.

The percentage of trainees in the workforce in Germany and Austria has remained relatively constant for years. In 2021, the share totalled 4.0 per cent, a slight increase from the previous year (3.7 per cent). The percentage of part-time employees (excluding marginally employed individuals and trainees) totalled about 41.8 per cent during the reporting period. The percentage of open-ended full-time employees was about 87.7 per cent in 2021. As a rule, all new employment contracts issued in Austria are limited term. These country-specific “timeframe” jobs are included in the number of limited-term employment contracts.

Employees by employment contract, gender and region

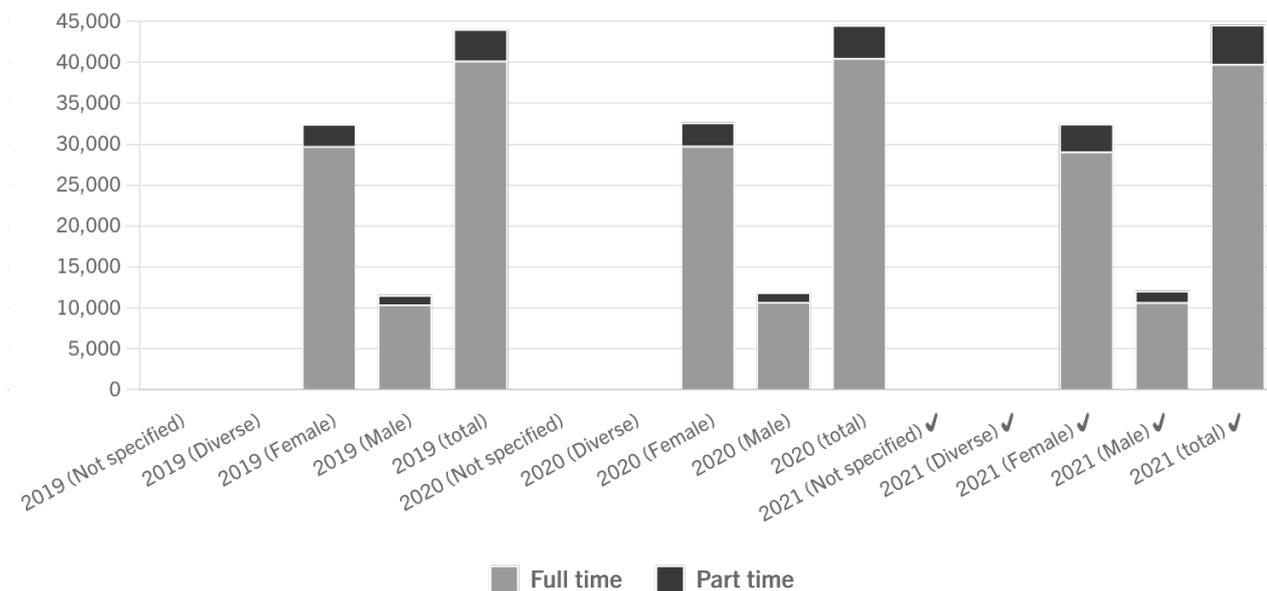
Germany



	Limited term	Open-ended
2019 (no information)	0	1
2019 (diverse)	0	2
2019 (female)	12,905	117,056
2019 (male)	11,553	58,737
2019 (total)	24,458	175,796
2020 (no information)	0	1
2020 (diverse)	1	4
2020 (female)	15,187	124,017
2020 (male)	14,100	66,512
2020 (total)	29,288	190,534
2021 (no information) ✓	3	0
2021 (divers) ✓	2	4
2021 (female) ✓	14,305	124,524
2021 (male) ✓	13,366	67,237
2021 (total) ✓	27,676	191,765

The data bearing a checkmark was submitted only to a cursory review. ✓

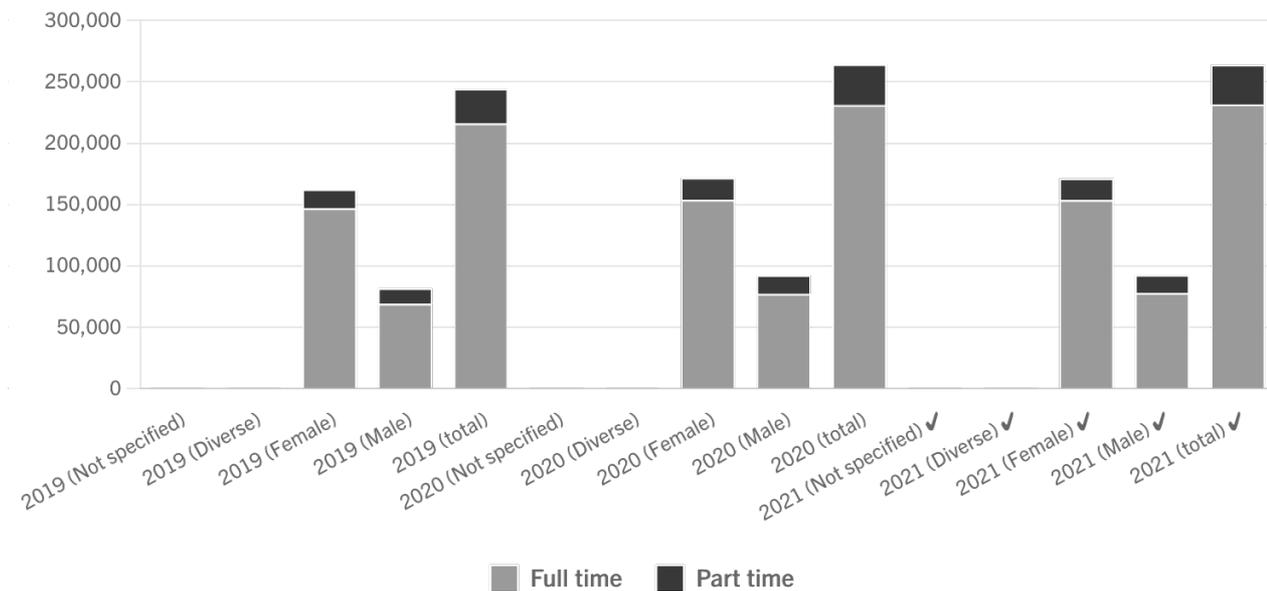
Austria



	Limited term	Open-ended
2019 (no information)	0	0
2019 (divers)	0	0
2019 (female)	2,702	29,777
2019 (male)	1,149	10,424
2019 (total)	3,851	40,201
2020 (no information)	0	0
2020 (divers)	0	0
2020 (female)	2,869	29,791
2020 (male)	1,169	10,730
2020 (total)	4,038	40,521
2021 (no information) ✓	0	0
2021 (divers) ✓	0	0
2021 (female) ✓	3,403	29,101
2021 (male) ✓	1,408	10,687
2021 (total) ✓	4,811	39,788

The data bearing a checkmark was submitted only to a cursory review. ✓

All regions

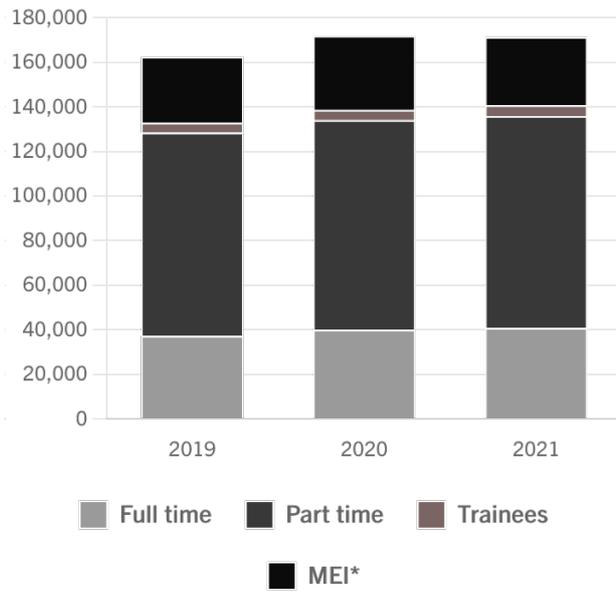


	Limited term	Open-ended
2019 (no information)	0	1
2019 (divers)	0	2
2019 (female)	15,607	146,833
2019 (male)	12,702	69,161
2019 (total)	28,309	215,997
2020 (no information)	0	1
2020 (divers)	1	4
2020 (female)	18,056	153,808
2020 (male)	15,269	77,242
2020 (total)	33,326	231,055
2021 (no information) ✓	3	0
2021 (divers) ✓	2	4
2021 (female) ✓	17,708	153,625
2021 (male) ✓	14,774	77,924
2021 (total) ✓	32,487	231,553

The data bearing a checkmark was submitted only to a cursory review. ✓

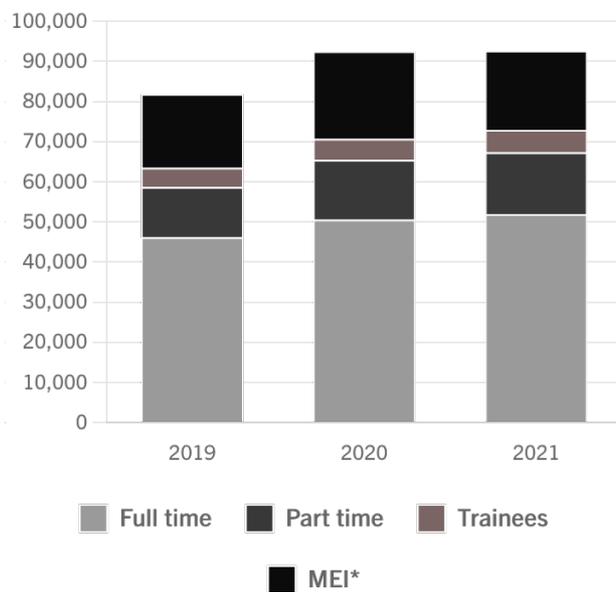
Employees by type of job and gender

Female



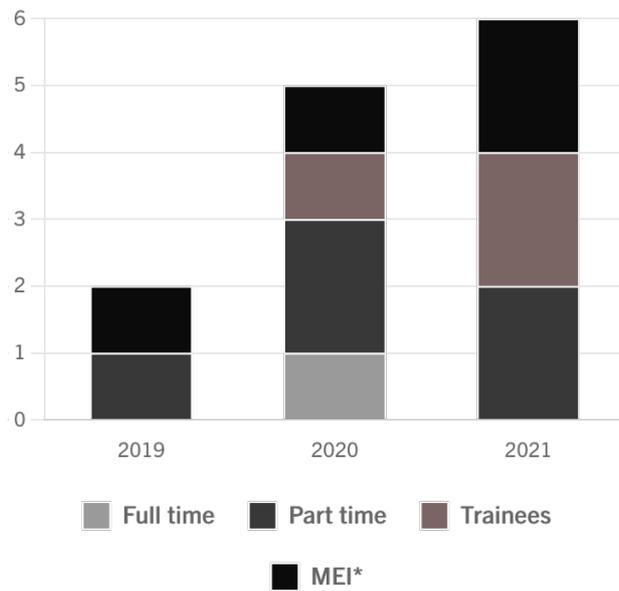
	2019	2020	2021
Full time	37,290	39,984	40,767
Part time	91,113	94,012	95,055
Trainees	4,480	4,606	4,855
MEI*	29,557	33,262	30,656

Male



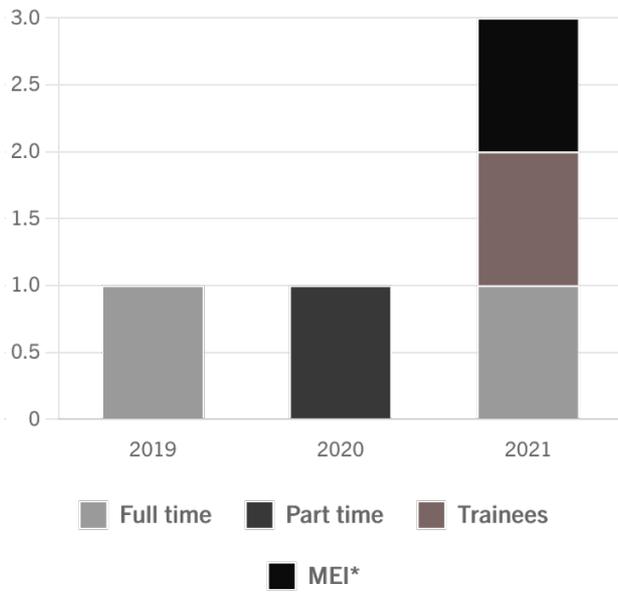
	2019	2020	2021
Full time	46,178	50,575	51,963
Part time	12,473	14,886	15,321
Trainees	4,865	5,243	5,661
MEI*	18,347	21,807	19,753

Diverse



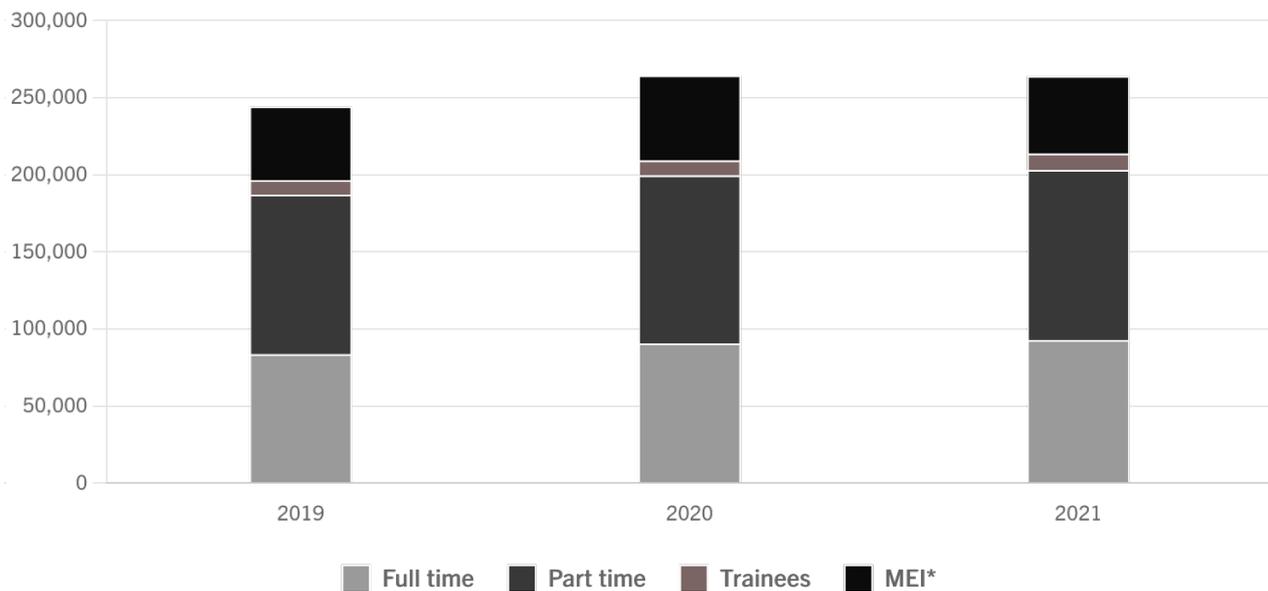
	2019	2020	2021
Full time	0	1	0
Part time	1	2	2
Trainees	0	1	2
MEI*	1	1	2

Not specified



	2019	2020	2021
Full time	1	0	1
Part time	0	1	0
Trainees	0	0	1
MEI*	0	0	1

total

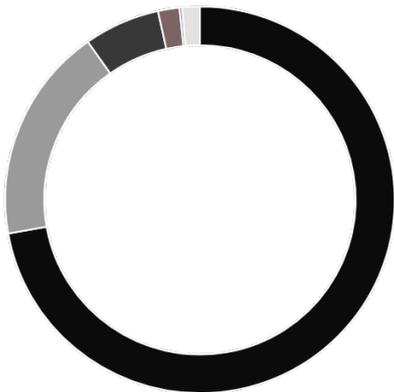


	2019	2020	2021
Full time	83,469	90,560	92,731
Part time	103,587	108,901	110,378
Trainees	9,345	9,850	10,519
MEI*	47,905	55,070	50,412

* MEI Marginally employed individuals

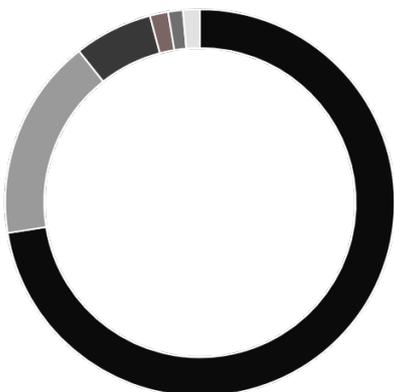
Percentage distribution of employees by job area*

2019



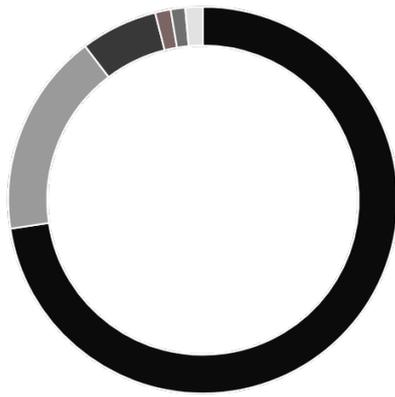
- Retail Germany ■ Retail International
- DIY Stores ■ Travel and Tourism
- Convenience ■ Other

2020



- Retail Germany ■ Retail International
- DIY Stores ■ Travel and Tourism
- Convenience ■ Other

2021



	2019	2020	2021
Trade Germany	176,444	191,681	190,380
Trade International	44,052	44,559	44,599
DIY stores	15,396	17,253	16,751
Travel and tourism	4,337	4,011	3,392
Convenience	525	3,238	3,145
Other	3,598	3,699	3,825

* GRI 102-48: The figures differ from those contained in the previous year's report due to a new classification system used in the areas of Trade Germany and Miscellaneous.

GRI 102-41:

Collective bargaining agreements

As of 31/12/2021, a total of 189,276 of the 192,327 employees in the combine company (excluding employees of the independent REWE retailers in the partnership model) were covered by collective bargaining agreements and/or labour-management agreements. This represents a coverage rate of 98.4 per cent. In terms of the scope of the Sustainability Report, including the independent retailers, 71.7 per cent of employees were covered by collective bargaining agreements and/or labour-management agreements. The REWE retailers are independent entrepreneurs who are part of a general mercantile partnership. Collective bargaining coverage is generally created when a company joins an employers' association. Joining such an association is an autonomous decision taken by the independent

REWE retailers themselves. The retailers must pledge to the REWE Group that they will apply a minimum level of human resources standards. This naturally includes compliance with all laws, including payment of the minimum wage.



GRI 102-9

Supply Chain

As a trade and tourism company, the REWE Group obtains its products and services from a wide variety of suppliers and from many different supply chains. The supply chain links of raw materials production and processing involve a heightened risk of non-observance of labour and social standards and also of negative environmental effects. They are the focus of the REWE Group's activities.

The company has intensely concentrated on these supply chains, both as a strategic question and in terms of individual raw materials. As a way of transparently showing how the supply chains used by the trade group look in detail, the REWE Group has described six supply chains that are particularly relevant to this Sustainability Report in the form of an interactive supply chain. These supply chains cover the entire process – from cultivation to transport and store – and identify where the greatest risks are found and where the high-impact potential of the REWE Group lies.

Selected supply chains of the REWE Group



Soya



Natural stones



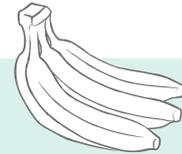
Cotton



Cocoa



Palm oil



Bananas

GRI 102-9:

Supply chain

The REWE Group strives to reduce the environmental and social impacts of its business operations wherever possible – including in its wide range of supply chains. In this process, the REWE Group evaluates social and environmental risks in the value chains of its store brands (for more information, see the section [Implementation](#)).

At the end of 2019, the REWE Group committed itself to binding conditions that create fair conditions along global supply chains. But it also noted that a national supply chain law would be insufficient for this purpose. Instead, it said international legal regulations would be the only way to effectively address the issue and include all actors of value chains under a compulsory set of rules. The trade company firmly believes that human rights are a non-negotiable issue.

In 2021, the coronavirus pandemic created new challenges for the actors in various supply chains. In its role as food provider, the REWE Group is part of the “critical infrastructure”. In a continuous dialogue with its suppliers and business partners along supply chains, the REWE Group succeeded during the pandemic, a period that posed serious challenges for planning management, in keeping food supplies flowing to customers and protecting the health of its employees by applying a multifaceted infection-prevention programme.

Principles

In its [Declaration of principles on human rights](#), the REWE Group has pledged to strengthen human rights in both its own business activities and in global supply chains as well as to prevent human-rights violations. As a way of enforcing environmental and social standards particularly in farming and processing, the REWE Group uses certified raw materials in its store brands. The company’s [Guidelines for Raw Materials](#) also include a binding framework that governs business relationships with contract partners in supply chains.

The REWE Group discusses its fundamental approaches, measures and goals in particular in the sections [Social Aspects in the Supply Chain](#) and [Environmental Aspects in the Supply Chain](#).

Implementation

In 2021, the REWE Group worked intensively to implement the German Act on Corporate Due Diligence Obligations in Supply Chains, a law that takes effect on 01/01/2023. The company also conducted detailed gap analysis to identify the company's strategic and operational shortcomings (for more information, see the section [Social Aspects in the Supply Chain](#)).

In 2018, the REWE Group conducted a risk analysis of the product groups and raw materials used in the supply chains of the store-brand products sold in Germany by REWE and PENNY (see the section [Product-Related Risk Analysis](#)). This review enabled the company to identify particularly high-risk product groups and focus raw materials in terms of their impact on the value chain. The analysis found that fruit and vegetables in general and bananas; pineapples; meat; dairy products, including feed for animals like soy; coffee; tea; palm oil; fish; orange juice; textiles; and natural stones in particular had the highest environmental and social impacts (for more information about raw materials, see [Raw Materials in Focus – Food](#) and [Raw Materials in Focus– Non-Food](#)).

The following sections provide background information about the REWE Group's commitment to sustainability in its supply chains:

- [Management approach green products](#)
- [Biodiversity](#)
- [Living wages and incomes](#)
- [Raw materials in focus – food](#)
- [Raw materials in focus – non-food](#)
- [Women in the supply chain](#)
- [Child and forced labour](#)
- [Climate protection in the supply chain](#)
- [Environmental aspects in the supply chain](#)
- [Product-related risk analyses](#)
- [Social aspects in the supply chain](#)
- [Animal welfare](#)
- [Water](#)



GRI 102-11

Risk Management

The REWE Group strives to create a balance among the economic, environmental and social impacts of its business operations wherever possible. To this end, it continuously measures its own performance and progress. When different goals conflict with one another, the company consults with experts from its own ranks and from external stakeholder groups.

GRI 102-11:

Precautionary principle or approach

As an international trade, travel and tourism company, the REWE Group faces a number of risks related to its business activities. These risks include logistics risks, price trends, amended laws and regulations that occasionally may have short reaction times. The company uses a uniform risk management system to successfully address this threat potential and seize long-term opportunities. The company's management and supervisory bodies are informed annually about the combine's current risk situation in a standardised report. To this end, risk managers send risk reports that contain inventories of relevant individual risks from the risk areas as of a given date. Risks with similar content and causes are subsequently aggregated at the combine level into risk categories and classified based on the threat potential to the REWE Group's business activities, financial and earnings position, cash flows and image.

For more information about risk management, see the [Management Report for business year 2021](#), pages 24–30.

Analysis of the social and environmental risks in the supply chains

As a way of systematically implementing sustainability into its supply chains, the REWE Group in Germany is taking a due-diligence approach based on the OECD-FAO Guidance for Responsible Agricultural Supply Chains. The process comprises five stages: risk analysis; development of focal points and objectives; the definition and implementation of measures; monitoring; and reporting. For further information on the analysis of the social and environmental risks in supply chains, see the section [Product-Related Risk Analysis](#).

Climate-related risks and opportunities

As a trade and tourism company, the REWE Group is affected by both the physical and transitory risks arising from climate change. Heat waves, storms, droughts and floods impact the food retail sector and raw material production. Agricultural operations suffer 63 per cent of the damage and losses caused by extreme weather events, according to the UN Food and Agriculture Organisation (FAO). The German Ministry of Food and Agriculture reports that the country's hectare yields for grain plunged 16 percent below their three-year average as a result of the drought that struck the country during the summer of 2018. An increase of 2 degrees Celsius in the Earth's temperature could drive up the raw-material costs of the food and beverage sector by 10 percent through 2030, according to a study done by the auditing firm PwC. The company's own locations can also be affected by extreme weather events like the disastrous flooding that struck the German states of Rhineland-Palatinate, North Rhine-Westphalia, Bavaria and Saxony in July 2021. A total of 55 REWE, nahkauf und PENNY stores located in the Ahr Valley area of Rhineland-Palatinate were either damaged or destroyed by the flooding. In the company's tourism business, entire destinations are threatened by climate change. In particular, these areas include islands, coastal regions and ski resorts. The REWE Group also faces transitory risks resulting from international and national efforts to reduce greenhouse gas emissions like the Paris climate agreement or the German Climate Protection Act: One example of these risks is carbon pricing, a system that will increase the costs of energy and raw materials. The general public is also calling on political leaders and companies to introduce ever-stricter climate protection measures.

Climate change is also affecting consumer behaviour: Faced with the increasingly obvious impact of climate change, German consumers want to have foods that are more sustainable. A study conducted for the Federation of German Consumer Organisations in 2021 found that 92 per cent of respondents rated the observance of tougher environmental standards and regional sources of food as important and that 95 per cent want food-production staff to have good working conditions and high animal welfare standards to be observed. Furthermore, investments in the transformation – that is things like the transition from fossil fuels to renewable energies and decarbonisation, efforts like those the REWE Group is already making – can do more than simply offset the costs associated with the negative impact of climate change: A study conducted by the auditing firm Deloitte found that the green transition will enable the economy to grow at a stronger rate over the long term than it would have if the investments in the 1.5-degree goal of the Paris climate agreement were not being made.

The REWE Group is concentrating its efforts on the company's own impact on the environment and climate. It is continuously reducing its climate-relevant emissions in the process: After setting its climate objectives on the company level (see the section [Climate Protection on the Company Level](#)), the REWE Group issued its Guideline on [Climate Action in the Supply Chain](#) in January 2022 for the purpose of facilitating reductions in its supply chains. The REWE Group plans to more closely analyse climate-related risks and opportunities, integrate them into strategic processes and devise related measures.



GRI 102-12, 102-13

Initiatives and Memberships

The REWE Group is the trailblazing company that lifted the issue of sustainability from its niche existence and turned it into mainstream matter for society. In a reflection of its commitment to fostering and bolstering the issue of sustainability, the company supports a wide range of initiatives and organisations involved in sustainable commerce, environmental and animal protection, conscious diets and social issues.

GRI 102-12, 102-13

Overview of the initiatives and memberships of the REWE Group

The REWE Group is active in industry initiatives and serves as the driving force behind some of this work itself. The aim of these multistakeholder efforts is to integrate as many actors as possible into these activities through collaboration and opportunities to share experiences and to jointly create approaches that will have a positive long-term impact. This is the only way to meet a broad range of sustainability challenges.

The REWE Group is actively involved in the following sustainability initiatives (in alphabetical order), among others:

5 am Tag (5 a Day): As a charter member of the association “5 am Tag”, the REWE Group supports efforts to boost consumption of fruit and vegetables to five portions a day and to foster healthy diets for children. In an alliance with other sponsors, including the German Nutrition Society, the company has been actively working since 2000 to promote the consumption of more fruit and vegetables.

Aktion Mensch e. V. (Campaign for People): This initiative works to foster an inclusive society and supports socially sponsored projects and campaigns. The REWE Group works with the initiative on various projects – including the erection of inclusive playgrounds.

amfori Business Environmental Performance Initiative (amfori BEPI): amfori BEPI helps the company to improve its environmental-oriented performance in global supply chains. The REWE Group is represented in working groups and contributes to the initiative’s continued development.

amfori Business Social Compliance Initiative (amfori BSCI): As a member of this initiative, the REWE Group, its suppliers and producers have committed themselves to observing amfori BSCI's code of conduct. The REWE Group is an active member of working groups that are shaping further development.

Aquaculture Stewardship Council (ASC): The quality seal for fish promotes aquacultures that are more environmentally responsible and recognises responsibly raised fish and seafood. The council and the REWE Group conduct a continuous dialogue and work constantly together.

Arbeitsgemeinschaft Ökologisch engagierter Lebensmittelhändler und Drogisten (Working Group of Environmentally Committed Food Retailers and Drugstores): This working group is made up of an alliance of food retailers and drugstores that sell a wide range of environmentally friendly products. The members work to enhance this segment, support organic farmers and add their voices to public debates about dietary questions.

ARGE Gentechnik-frei (ARGE Non-Genetic): The association Arbeitsgemeinschaft für Gentechnik-frei erzeugte Lebensmittel (Working Group for Non-Genetically Modified Foods) is an independent platform for member companies in the food retail sector, food production and feed production as well as of organisations and trade associations in the areas of environmental protection, consumer protection and farming. The organisation has been awarding the quality seal "Produced genetically free" in Austria since 1997. The REWE Group in Austria is a co-founder of the group and has a seat on the organisation's board of volunteer directors.

Berufsgenossenschaft Handel und Warenlogistik (Occupational Cooperative Trade and Product Logistics): The statutory accident insurance institution for trade and product logistics supports the REWE Group through targeted prevention of occupational accidents and illnesses. The CEO is Roland Krämer. He heads the Centre of Expertise Health & Innovation at REWE Zentral AG and, thus, occupational health management of the REWE Group in Germany.

Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e. V. (German Working Group for Environmentally Aware Management): The company network devoted to sustainable business practises interweaves environmental, economic and social questions together. As a member of the network, the REWE Group works with other companies to achieve the goal of sensitising the business community, municipalities and organisations about the vision of sustainable business practises and to facilitate the environmentally effective, economically sensible and socially just achievement of this vision.

Biodiversity in Good Company: This cross-industry alliance brings together companies that work jointly to protect and sustainably use global biodiversity. The REWE Group has committed itself in this initiative to integrating this effort into its operational sustainability management.

Bund Ökologische Lebensmittelwirtschaft (Alliance of the Organic Food Industry): This leading association of agricultural producers, processors and retailers of organic foods in Germany works to ensure that the environmental, commercial and social activities of the organic food sector are appropriately understood by political leaders and society. The REWE Group joined this alliance in 2017 as part of its work with the "Arbeitsgemeinschaft Ökologisch engagierter Lebensmittelhändler und Drogisten" (Working Group of Environmentally Committed Food Retailers and

Drugstores). The REWE delegate has been a member of the Board of Directors since 2020 and represents the interests of retailers in the entire organic food sector.

Bündnis für nachhaltige Textilien (Alliance for Sustainable Textiles): This alliance is a partnership of various stakeholders who are committed to improving the global value chain of the textile industry. When it joined the group in 2015, the REWE Group committed itself to making long-term improvements to the environmental, social and commercial conditions in international textile supply chains.

Charta der Vielfalt (Charter of Diversity): The Charter of Diversity is an employer initiative that fosters diversity in companies and institutions. The focal point of these activities is a voluntary commitment that the member companies make to diversity management. The REWE Group signed the Charter of Diversity in 2016.

Competitive Cashew Initiative (ComCashew): ComCashew strives to increase the competitiveness of the cashew value chain in selected African countries. The initiative helps producers in Benin, Burkina Faso, Côte d'Ivoire, Mozambique and Ghana to increase their yields and the quality of their nuts. More than 170 public and private partners have joined the initiative. Other partners include research institutes. The REWE Group became a member of the initiative's board in 2019.

Consumer Goods Forum: The global industry network made up of more than 400 companies in trade, industry and services in over 70 countries works to create a better life for all consumers through improved business practises. Positive changes are also fostered under the motto "Better Lives through Better Business". The REWE Group is a member of the Consumer Goods Forum, serves on the Board of Directors and is an active member of two working groups that focus on the areas of plastic and human rights.

Consumer Insight Action Panel – Club for Sustainable Plastic Packaging: The Club for Sustainable Plastic Packaging was created in 2019 by the Collaborating Centre for Sustainable Consumption and Production (CSCP) and other stakeholders as part of an EU-wide project called the Consumer Insight Action Panel. In addition to the REWE Group, other members of the club include actors from trade, industry, system catering, packaging, collection and recycling as well as non-governmental organisations (NGOs) and research institutes. The group's goal is to accelerate the transition to a recycling economy for packaging by focusing on consumer behaviour. The club's work is also supported by the German Federal Environmental Foundation.

Cotton made in Africa: The objective of the initiative's work is to improve the quality of life for people who live in the cotton-growing regions of Africa. The REWE Group has been supporting the initiative since 2008 and is a member of its board.

Demeter e. V.: This organisation is Germany's oldest organic farming trade group. Demeter growers and producers work in accordance with biodynamic business principles and guidelines that are much stricter than the European Union's eco-regulation. The REWE sales line joined the organic food association Demeter in September 2020 in order to foster organic agriculture throughout Germany and agricultural structures in the region.

Demographie Netzwerk e. V. (Demographic Network): In 12 working and thematic groups, the network develops new knowledge and facilitates the sharing of know-how – with the aim of bringing about commercial, social and technological changes and tackling the related challenges in a network with other companies and organisations. As part of its membership in the network, the REWE Group committed itself in 2006 to non-discriminatory, age-neutral human resources policies, a balanced age structure in its workforce, holistic health-promotion programmes and knowledge sharing among generations. The company ended its membership in the network effective 31 December 2021.

Detox Campaign: As part of Greenpeace’s Detox Campaign, companies have pledged to reduce the use of hazardous materials in textile products. The companies outline the results of their work and data in a progress report. The REWE Group joined the Detox Campaign in 2014. Its membership officially ended in 2020. Nonetheless, the REWE Group remains committed to the goal of eliminating the use of hazardous chemicals in textile production.

Deutsche Gesellschaft für Nachhaltiges Bauen e. V. (German Sustainable Building Council): The sales lines REWE, PENNY and toom Baumarkt DIY stores are members of the non-profit German Sustainable Building Council. As members, they promote sustainable construction practises.

Deutsche Stiftung Verbraucherschutz (German Consumer Protection Foundation): The foundation is committed to strengthening consumer work in Germany. It supports projects that foster consumer skills particularly among children and adolescents. The REWE Group is a member of the foundation’s Advisory Board.

Deutscher Reiseverband (German Travel Association): DER Touristik has been an active member of the German Travel Association’s working group on child protection since 2010. Members of the travel association, NGOs and government representatives work to fight the sexual exploitation of minors in tourism. One aim of these activities is to sensitise and provide information to tourists and employees for the purpose of preventing children from being sexually abused. DER Touristik is also the vice chairman of the travel association’s Sustainability Committee. This committee focuses on the issues of environmental and climate protection, human rights and social responsibility. It acts as a catalyst for ideas in the travel industry.

Deutsches Rotes Kreuz (German Red Cross): The German Red Cross helps people during crises and fosters the observance of humanitarian international law. The REWE Group works with the German Red Cross and provides financial support to the initiative after disasters like the devastating floods that struck parts of Germany in 2021 or the Ukrainian conflict occur. It also supports projects designed to help children and adolescents.

ECPAT Deutschland e.V. – Arbeitsgemeinschaft zum Schutz der Kinder vor sexueller Ausbeutung (Working Group for the Protection of Children from Sexual Exploitation): This alliance of 28 institutions and groups across Germany is committed to protecting children from all forms of commercial exploitation and sexual abuse. The association is also a member of the children’s rights organisation ECPAT International based in Bangkok, Thailand. The network has 122 members from 104 countries. To promote the UN Convention on the Rights of the Child, ECPAT highlights the causes of abuse, investigates violations, develops prevention measures, sensitises the general public about the issue and plays an active role in politics, justice, commerce and education. The association also helps DER Touristik to develop

and implement measures. ECPAT instructors train employees and partners about child protection and the implementation of the Child Protection Code (The Code).

Fair Trees Fund: The Danish organisation Fair Trees promotes fair working conditions during the harvesting of seeds used to produce Nordmann firs in Georgia. toom Baumarkt DIY stores have been a member of the Foundation Council of the Fair Trees Fund since 2019. The foundation supports a broad range of social projects in the harvesting region of Racha and promotes the health and education of the region's residents.

Fairtrade Deutschland e. V.: With its fair trade seal of approval, this non-profit organisation, which is known internationally as TransFair, promotes fair trade relations worldwide. The Fairtrade label is awarded to products that come from fair trade and that meet certain social, environmental and commercial criteria during production. The aim of Fairtrade is to improve living and working conditions of disadvantaged small farmers and workers, strengthen domestic economies and abolish unfair global economic conditions in the long term. The REWE Group works on various projects with Fairtrade Deutschland e. V. and certifies a large number of products with the Fairtrade seal.

FEMALE RESOURCES – MIT FRAUEN IN FÜHRUNG (WITH WOMEN IN MANAGEMENT): The companies that are part of this Cologne-based alliance strive to provide women and men with equal professional growth opportunities and promote the hiring of women in management positions. The companies' work focuses on the sharing of good practises, participation in cross-mentoring programmes, networking events and training courses. The REWE Group became a partner in the group in 2016 and regularly participates in the cross-mentoring programmes, among other things.

Floriculture Sustainability Initiative (FSI): This Dutch organisation promotes responsible production practises and responsible trade with plants along the entire supply chain. As a member of the initiative, toom Baumarkt DIY stores are striving to obtain at least 90 per cent of ornamental plants on the basis of the initiative's criteria starting in 2020 and afterwards. Under these criteria, suppliers must employ environmental and social standards based on such certification systems as GLOBALG.A.P. and MPS GAP or GRASP and MPS SQ. toom Baumarkt DIY stores are also active members of working groups that are striving to make the ornamental plant business more sustainable.

Food for Biodiversity: The REWE Group joined forces in March 2021 with other companies, trade associations, certification organisations in the food retail sector, environmental groups and research institutes to create an organisation called Food for Biodiversity. This alliance, the first of its kind in the industry, strives to make the protection of biological diversity a key focal point of the entire food retail sector, extending all the way to upstream value chains.

Forest Stewardship Council (FSC®): This organisation works to promote sustainable forestry and strives to ensure compliance with environmental and social standards. This goal is achieved through global standards, the involvement of all relevant interest groups and support from widely known companies as well as independent environmental and social organisations. toom Baumarkt DIY stores have been a member of FSC® since 2018.

Forum für nachhaltigere Eiweißfuttermittel (Forum for More Sustainable Protein Feed): In this dialogue forum, the food retail sector, the feed retail sector, civic society actors, environmental NGOs and political representatives discuss the opportunities and goals associated with the use of more sustainable protein feed in Germany. The REWE Group joined the forum in 2014.

Forum Nachhaltiger Kakao e. V. (The German Initiative on Sustainable Cocoa, GISCO): This multistakeholder initiative has been working since 2012 to improve the quality of life of cocoa farmers, protect natural resources and biodiversity and promote the production and marketing of sustainable cocoa. As a charter member, the REWE Group has joined forces with other companies to support a project called PRO-PLANTEURS, a joint cocoa project in Côte d'Ivoire.

Forum Nachhaltiges Palmöl (Forum for Sustainable Palm Oil): The objective of this multistakeholder initiative is to significantly increase the volume of sustainably produced palm oil and improve existing certifications and standards. The forum was created in 2013 by the REWE Group and other partners.

Fur Free Retailer: This global programme strives to create networks between fur free companies and interested consumers. The REWE Group joined the programme in 2018.

Futouris e. V.: The goal of this sustainability initiative of the German travel industry is to promote tourism destinations by providing long-term support to projects being conducted in the areas of environment, biodiversity and responsibility for society and culture. DER Touristik joined Futouris in 2015 and was a member of its Board of Directors until the end of 2021.

GLOBALG.A.P. Arbeitsgruppe zu Umweltaspekten im Kulturpflanzenanbau (Working Group on the Environmental Aspects of Cultivated Plant Production): In this working group, the REWE Group and other members focus on the refinement of GLOBALG.A.P. standards. The focus of this work is environmental sustainability in the certification of agricultural crops.

GLOBALG.A.P. Risk Assessment on Social Practice (GRASP): GRASP is a model used to conduct social risk assessments of companies that have been certified under the GLOBALG.A.P. standard. The REWE Group is a member of the Technical Committee, a group that advises the Steering Committee about strategic and technical enhancements.

Haltungsform (Livestock Farming Conditions): The REWE Group is working to improve sector-wide animal welfare standards. The four-stage label for livestock farming conditions for the REWE Group's fresh store-brand items was converted into an industry solution in 2019. The uniform label "Haltungsform" is used to provide transparent information about livestock farming conditions. It consists of four stages and defines criteria for chicken, turkeys, pigs, cows, ducks and rabbits.

HolyGrail 2.0 – Digital Watermarks Initiative: The pilot project HolyGrail 2.0 was initiated by the European Brands Association for the purpose of continuing the HolyGrail project supported by the Ellen McArthur Foundation. Its goal

is to develop improved conditions for a recycling economy in the packaging area. A digital watermark on packaging has been designed to promote improved sorting behaviour and thus facilitate high-quality and high-quantitative recycling. The REWE Group joined the project in July 2020.

Initiative für nachhaltige Agrarlieferketten (Initiative for Sustainable Agricultural Supply Chains): The initiative promotes increased sustainability in global agricultural supply chains and works to improve the quality of life for small farmers. The REWE Group is a member of the initiative and active in a working group that focuses on living wages and incomes.

Initiative Tierwohl (Initiative Animal Welfare): The aim of this alliance of farming, meat industry and food-retail representatives is to create more animal friendly meat production. The participating companies in the German food retail sector finance the extra work required by the animal welfare measures, which extend well beyond legal requirements. The REWE Group is a charter member of the initiative and has been active in it since 2015.

Interessengemeinschaft FÜR gesunde Lebensmittel e. V. (IG FÜR – Interest Group FOR Healthy Foods): The interest group promotes social awareness about healthy diets and sustainability. The REWE Group is a member of the group's Board of Directors.

JOBLINGE e. V.: Companies, government authorities and private individuals work together in this group to help young people with difficult starting conditions in life to gain real job opportunities and to integrate these individuals into the labour market and society. The JOBLINGE Compass integrates young refugees. The REWE Group has been a premium partner since 2016. As part of a programme called "Ehrensache" (Act of Honour), employees at REWE, DER Touristik and PENNY act as volunteer mentors. The JOBLINGE participants receive work placements that provide them with insights into the work world and are given trainee positions or full-time jobs.

Kindernothilfe e. V. (Emergency Help for Children): The association works on behalf of children in difficult circumstances by providing access to education and creating fair living conditions. The REWE Group has been working with the organisation since 2010 to provide children and adolescents in Haiti with better access to education.

klimaaktiv pakt2030 (climateactive pact2030): The "klimaaktiv pakt2030" is Austria's climate package for large companies. Eleven major companies have joined forces with the Sustainability Ministry for the purpose of achieving Austria's climate goals by 2030 as part of company-driven climate protection efforts. As the group's largest member, the REWE Group in Austria is playing a major role in the pact's success. The project's progress is tracked in an annual report.

Land schafft Leben e. V. (Land Creates Life): This Austrian organisation transparently shows consumers how food is produced in Austria – from on-site cultivation and processing to the final product in stores. The REWE Group in Austria, which consists of the trade companies BILLA, BILLA Plus, PENNY and ADEG, was one of the group's first supporters. It became an official sponsor in 2014.

Lean & Green Initiative: The non-profit initiative recognises the successful reductions that participating companies have made in the carbon emissions of their warehousing and logistics processes. Lekkerland in Germany has been part of the initiative and a member of its advisory board since 2014. Lekkerland in the Netherlands has been a member of the initiative since 2012 and has already been awarded three Lean & Green Stars.

Conway Spain has been a member of the AECOC Lean & Green Committee since 2016 and received its first Lean & Green Star in 2021.

Marine Stewardship Council (MSC): The MSC is an independent non-profit organisation that awards a seal for fish and seafood from sustainable wild-fishing practises. The certified fisheries work to create sustainable fish stocks, foster intact marine habitats and protect endangered species. The REWE Group conducts a regular dialogue with the organisation.

Naturland e. V.: With approximately 140,000 farmers, beekeepers and fish farmers in 60 countries, Naturland promotes sustainable agricultural and food practises that produce unadulterated high-quality organic products. Naturland's requirements extend beyond the requirements of the EU organic farming regulation by covering many more areas. As a result, they help to conserve resources, promote biodiversity, facilitate increased animal welfare and improve working conditions in risk countries, among other things. The REWE sales line has maintained a close partnership with Naturland since 2009 for the purpose of bolstering organic farming practises and making organic products available to a broader market.

Naturschutzbund Deutschland e. V. (NABU – Nature Protection Alliance Germany): In 2015, the REWE Group entered into a strategic partnership with the German environmental group NABU in a step that intensified the collaborative relationship that the two groups initiated in 2009. As part of this effort, the joint project work being conducted in the areas of biodiversity and PRO PLANET was expanded and an agreement was reached to collaborate on such issues as protection of the seas, packaging, conservation of resources and the fostering of biological diversity. During working groups and strategy workshops, NABU and the REWE Group drew up roadmaps covering the achievement of the sustainability goals set by both groups. One new aspect of this partnership is the NABU Climate Fund that was initiated in 2021. The fund purchases or leases former moors and wet meadows. These areas are then rewetted to create effective carbon sinks.

Partnerschaft für Nachhaltigen Orangensaft (Partnership for Sustainable Orange Juice): This partnership promotes social justice, worker rights and environmental protection in the orange juice supply chain. The long-term objective of its work is to increase the share of sustainably produced orange juice in the German and European market. The REWE Group is a charter member of this partnership.

Programme for the Endorsement of Forest Certification Schemes (PEFC™): The system to ensure sustainable forestry encompasses the entire product-creation process, from raw materials to the end product. Inspections are carried out by independent specialists. All protective functions in forestry receive appropriate consideration. toom Baumarkt DIY stores have been a member of PEFC™ since 2018.

Rainforest Alliance: The Rainforest Alliance is a sustainability standard used in the production of agricultural raw materials and products. The REWE Group joined the Rainforest Alliance in 2018 and is a member of its Standards Committee. This committee makes decisions about further steps in the alliance's work on the basis of public standards. In 2018, the Rainforest Alliance merged with the standards organisation UTZ to create a bigger impact.

Recyclat-Initiative: The Recyclat-Initiative was launched in 2012. This alliance of partners from various sectors intensively promotes effective recycling. The members work to develop sustainable material loops and use materials found in Germany's yellow bag programme in which plastic rubbish is collected from private households in the country. As a member of the initiative, the REWE Group promotes value chains shaped by recycling economies.

Regionalfenster e. V. (Regional Window): The "Regionalfenster" seal provides consumers with verified information about the source of ingredients in products and the processing location. In this manner, it creates transparency that complements store-brand-specific information. As another way of promoting regional products, the REWE Group became a charter member of the supporting association Regionalfenster e.V. in 2012 and has been applying the group's seal to selected products in PENNY and REWE stores since 2014.

respACT: The company platform for responsible business practises in Austria provides information about sustainability, creates networks for the issue and serves as a driving force behind it in the country. REWE Group in Austria has been a member of respACT since 2009.

Roundtable for Human Rights in Tourism e. V.: The roundtable is a non-profit group and an international multistakeholder initiative that promotes human rights in accordance with the UN Guiding Principles on Business and Human Rights. The initiative acts as an open network and helps tourism companies to observe human rights in tourism by preventing, addressing and eliminating human rights violations in the supply chain of their business activities. DER Touristik Switzerland is a member of the roundtable, and the DER Touristik Group is a partner in many projects.

Runder Tisch für nachhaltiges Palmöl (Roundtable on Sustainable Palm Oil, RSPO): This non-profit organisation works with its members to develop and implement global standards for sustainable palm oil. Companies must fulfil a broad range of environmental and social criteria in order to produce sustainable palm oil. The REWE Group joined the organisation in 2011.

Studienkreis für Tourismus und Entwicklung e. V. (Study Group for Tourism and Development): This study group critically and constructively examines the opportunities, risks and responsibilities of tourism developments and focuses on development-related information and training work in tourism. It releases publications on this subject, conducts advanced training courses, works in the area of tourism research and consultation, and participates in a dialogue about questions of tourism development. In addition, the study group organises such international competitions as the TO DO Award, a prize that recognises the participation and voice of local citizens in tourism projects and programmes. DER Touristik is represented in the Study Group for Tourism and Development and is a member of the jury for the TO DO Awards.

SÜDWIND e. V. (SOUTHWIND): The association promotes fair commercial relationships and supports women and people in need. SÜDWIND e. V. is represented on the REWE Group's Sustainability Advisory Board by a research associate who primarily provides insights into the area of action "Fairness".

Sustainable-Finance-Beirat der Bundesregierung (Sustainable Finance Board of Advisers of the German Government): This board of advisers is made up of representatives from finance and business, the civil society and the scientific community. It advises the German government regarding the development and implementation of its sustainable finance strategy. The REWE Group was represented on the board of advisers for the 19th legislative period by its Head of Finance.

Sustainable Juice Platform: The platform strives to improve social and environmental conditions in the supply chains of the fruit juice industry. It was created for the purpose of helping fruit juice producers to integrate CSR measures into their company strategies. The aim is to make a long-term sustainable contribution along the global value chain of fruit juices on behalf of all stakeholders. The REWE Group became a member of the Sustainable Juice Platform in 2016 and plays an active role in a working group that focuses on orange juice from Brazil. The REWE Group was also a member of the steering committee from 2017 to 2021.

Tafel Deutschland e. V. (Tafel Food Banks Germany): The organisation collects surplus, qualitatively flawless food and distributes it to people in need. The REWE Group has been one of the main sponsors of the more than 950 Tafel food banks in Germany since 1996. CEO Lionel Souque and Dr. Daniela Büchel, a member of the Divisional Management Board of Retail Germany, have two seats on the organisation's advisory board. The REWE Group has also sponsored a large number of events held by Tafel Deutschland e. V. over the years.

The Bangladesh Accord on Fire and Building Safety: The accord is designed to increase safety in the textile industry by employing independent inspectors who check on building safety, fire prevention and electrical safety during factory visits. The REWE Group signed the accord in 2013. It signed the follow-up document, the 2018 Transition Accord, in 2017. Since this accord expired, the REWE Group has been supporting the RMG-Sustainability Council (RSC) that was set up in 2020 to officially take over the responsibilities for the accord in Bangladesh. In May 2021, the REWE Group signed a three-month extension of the 2018 Transition Accord. The company is also planning to sign the new International Accord for Health and Safety in the Textile and Garment Industry once the new version has been prepared and reviewed. This document would remain in effect through October 2023.

The Centre for Child Rights and Business (formerly the Centre for Child Rights and Corporate Social Responsibility): The centre helps member companies like the REWE Group to implement child rights policies. DER Touristik has been a member of the group since 2018.

The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism (The Code): "The Code" is a multistakeholder initiative made up of governmental and non-governmental organisations, trade associations and initiatives. Its members have committed themselves to observing a voluntary catalogue of six criteria to prevent children from being sexually exploited in the travel and tourism industry. The group's local organisations also work around the world to implement the criteria and sensitise people about the issue. DER Touristik has been a

member of the group since 2016.

Travelife for Tour Operators and Travel Agents: The training, management and certification initiative has been working since 2007 to promote sustainable practises in the travel and tourism industry. It helps travel operators and agencies to monitor and improve the social and environmental impact of their business activities with the help of training courses, a sustainable management system and a company certification programme based on international sustainability standards. As a member of the initiative, DER Touristik has access to the know-how and resources of Travelife and profits from the certification of its own designation agencies and their service providers.

Travelife Stay Better (Travelife Accommodation Sustainability): Travelife Stay Better is an internationally recognised sustainability programme for accommodations. About 1,500 members in more than 50 countries use Travelife instruments and resources like e-learning courses and checklists to improve the environmental and social impact of their commercial activities. The standard recognised by the Global Sustainable Tourism Council (GSTC) consists of criteria used to evaluate the quality of accommodations in the areas of human rights, work conditions, social commitment and environmental impacts. A global team of independent inspectors visits every accommodation to determine whether it meets the Travelife standard . The hotels of DER Touristik Hotels & Resort are currently undergoing the certification process with the Travelife standard.

Verband für Lebensmittel ohne Gentechnik e. V. (VLOG – German Association of Non-Genetically Modified Foods): In Germany, non-genetically modified foods may be labelled by the German Association of Non-Genetically Modified Foods e.V. (VLOG). REWE Group in Germany has been a member of VLOG since 2012.

VERBRAUCHER INITIATIVE e. V. (CONSUMER INITIATIVE): The initiative conducts environmental, health and social work with consumers. The managing director of the VERBRAUCHER INITIATIVE e. V. is a member of the REWE Group's Sustainability Advisory Board and provides insights in particular to the needs of consumers.

Verein Donau Soja (Donau Soja Association): REWE International AG is a charter member of the association "Verein Donau Soja". This group has been promoting the cultivation of non-genetically modified soybeans since 2012. This work resulted in the organisation of a joint project in the Zupanja region of Croatia to help farmers in 2017 and 2018.

Verein für kontrollierte alternative Tierhaltungsformen (Association for Controlled Alternative Livestock Farming Forms): The association acts as an inspection authority that vouches for the origin and tracing of eggs produced by free-run, free-range and organic farms. As an association member, the REWE Group supports the group's interests and applies its decisions and requirements.

Women Empowerment Principles (WEP): The seven principles of the Initiative of UN Women and the UN Global Compact focus on international labour and human-rights standards, the equal-opportunity aspects of the Agenda 2030 and the objectives of the United Nations for Sustainable Development. This includes equal pay for equal work, gender-specific measures to promote women and zero tolerance of sexual harassment in the workplace. The REWE Group joined the initiative in November 2020 and is committed to strengthening the role of women in the company and society.

World Banana Forum: The forum brings together a wide range of stakeholders in the global banana supply chain to promote sustainable cultivation practises, the observance of human rights and improved working conditions. The REWE Group is a member of the World Banana Forum and has served on its advisory board since 2014.

XertifiX: To seamlessly track the supply chain of natural stones all the way back to the quarry and independently monitor the observance of social and environmental criteria, toom Baumarkt DIY stores work with the autonomous experts at XertifiX.

You will find information about other partners and memberships in the section [Sustainability](#) on the REWE Group's website.



GRI 102-16

Principles and Guidelines

The REWE Group has defined fundamental principles, norms of behaviour, the Guideline on Sustainable Business Practices and a number of policies related to raw materials for the purpose of integrating responsible business practises into both the company and its supply chains.

GRI 102-16:

Values, principles, standards and norms of behaviour

With the goal of “The Best Performance – for Customers, Retailers and Employees”, the fundamental values of REWE Group were formulated in the Mission Statement drawn up in 2008:

- We act independently according to the ideas of community!
- We work for the customer. We are at the heart of the market!
- We welcome new directions. Standing still means going backwards!
- We act with integrity and treat one another with respect! We keep our word!
- We strive to find the best solution, make considered decisions and act consistently!
- We are aware of our responsibility and act sustainably!

Rules governing the upstanding behaviour of all employees and managers including the members of the Management Board and the Supervisory Board are specified and bindingly formulated in the Code of Conduct of the REWE Group Code of Conduct of the REWE Group. The code is also designed to serve as a guide to those who work with REWE Group.

The basis of sustainable commercial operations at the REWE Group is the Guideline on Sustainable Business Practices on Sustainable Business Practices. This guideline specifically describes the fundamental value “We are aware of our responsibility and act sustainably!” As such, it provides binding orientation to employees, managers, business partners and suppliers.

In its Declaration of principles on human rights, the REWE Group has pledged to strengthen human rights and prevent violations of human rights. This commitment applies both to its own business activities and to those of its global supply and value chains.

Specific guidelines define standards

The guidelines of the REWE Group serve as a key instrument that the company uses to make supply chains of critical raw materials more sustainable. They outline the company's strategic approach to the issue and act as a binding framework that governs business relationships with contract partners in the store-brand supply chains of the REWE Group. They also describe processes and define requirements, standards, measures and goals that serve as the foundation of responsible business activities in the company in terms of society and the environment. The REWE Group had approved the following guidelines through the beginning of 2022:

- **Guideline on Living Wages and Incomes:** Focuses on improving the wage and income situation in the supply chain ([download](#)).
- **Guideline on Fairness:** Promotes human rights and the improvement of working conditions download ([download](#)).
- **Guideline on Women in the Supply Chain:** Concentrates on protecting and promoting women in the supply chain ([download](#)).
- **Guideline on the Prevention of Child Labour:** Focuses on preventing and eliminating child labour ([download](#)).
- **Guideline on Water Protection in the Supply Chain:** Addresses the responsible use of water in supply chains ([download](#)).
- **Guideline on Fish and Seafood:** Sets standards for wild fish and aquaculture-raised fish and defines demanding transparency criteria. It also outlines the company's plans to switch store-brand products to certified sources ([download](#)).
- **Guideline on Coffee:** Focuses on the creation of an increasingly sustainable coffee sector and describes the company's successful switch to certified sources for its store-brand products ([download](#)).
- **Guideline on Cocoa Products:** Focuses on the increasingly sustainable procurement of cocoa and describes the company's nearly completed transition to certified sources for its store-brand products ([download](#)).
- **Guideline on Juices:** Is designed to improve social, environmental and commercial conditions in juice production, describes the obligations of business partners and outlines plans to switch the company's store-brand products to certified sources ([download](#)).
- **Guideline on Palm Oil and Palm Kernel Oil Products:** Addresses the procurement of increasingly sustainable palm oil products in ways that extend beyond the requirements of established standards and describes the successful switch that store-brand products have made to "mass-balance" quality ([download](#)).
- **Guideline on Organic Products:** Outlines the process being used to bolster organic store-brand products by applying standards that, in many ways, are more demanding than the requirements that govern the EU organic logo ([download](#)).

- **Guideline on Soy in Animal Feed:** Requires imported soybean meal to be non-genetically modified and calls for the examination of potential replacements with domestic protein sources as a key requirement. The guideline also describes the transition to certified products ([download](#)).
- **Guideline on Tea Products:** Focuses on the creation of increasingly sustainable tea production and describes the company's nearly completed transition to certified sources for its store-brand products ([download](#)).
- **Guideline on Animal Welfare:** Describes the company's commitment to keeping animals in a manner appropriate to their species and the planned transition of the company's store-brand products to certified sources ([download](#)).
- **Guideline on More Sustainable Textiles:** Defines the social and environmental standards that apply to the suppliers of textile products and outlines the planned transition of textiles to cotton produced by certified sources ([download](#)).
- **Guideline on More Sustainable Textiles:** Defines the social and environmental standards that apply to the suppliers of textile products and outlines the planned transition of textiles to cotton produced by certified sources ([download](#)).
- **Guideline on Natural Stone Products:** Is designed to improve the social and environmental standards that apply to the production of natural stones and describes the planned transition of the company's store-brand products to certified sources ([download](#)).
- **Guideline on More Eco-friendly Packaging:** Describes how the REWE Group intends to make the packaging used in its store brands more environmentally friendly ([download](#)).
- **Guideline on Climate Action in the Supply Chain:** Explains how the REWE Group actively helps to protect the climate and intends to continuously reduce greenhouse gas emissions throughout the supply chain ([download](#)).
- **Guideline on Circular Economy:** Explains how the use of resources in the value chain can be reduced through the application of a recycling economy ([download](#)).

In August 2021, the REWE Group issued its [Code of Conduct](#), a document that governs commercial due diligence in the supply chain. The code outlines the minimum standards that suppliers must observe and obey in their interactions with the REWE Group. The REWE Group's [approach to more responsible supply chains was also released in 2021](#). This document expresses the company's clear strategic commitment to reducing and preventing social and environmental impacts and describes how the group of companies identifies, evaluates and addresses the impacts that its store-brand products have on people, animals and the environment. Other guidelines are scheduled to be released or updated in 2022.

Information on the status and goal achievement for the guidelines is reported in the sections Raw Materials in [Focus – Food](#) and Raw Materials in [Focus – Non-food](#).



GRI 102-17, 205, 206, 307, 419

Compliance

To be successful over the long term, a company must comply with laws and prevent violations of laws and regulations. Individual employees or board members of the REWE Group could be held personally liable for failures to observe laws, directives or codes (including demands to pay damages or criminal law penalties). Such violations could also harm the company's image. A trade and tourism company faces particular compliance risks related to price fixing, the exercise of market pressure in dealings with suppliers and personal undue advantages.

GRI 205: Anti-corruption

GRI 206: Anti-competitive behaviour

GRI 307: Environmental compliance

GRI 419: Socioeconomic compliance

Management approach

Principles

Integrity and fairness in business transactions as well as in interaction with others are important fundamental principles in the mission statement of the REWE Group. In the Code of Conduct of the REWE Group, the company has also defined mandatory standards that apply to the actions of all individuals working on behalf of the REWE Group – including managers and the company's top executives.

Responsibility

In February 2009, the REWE Group named a chief compliance officer. And, in June 2010, the internal Corporate Department of Governance & Compliance began to integrate and coordinate the activities of the REWE Group. Decentralised compliance officers are available to the department as expert contact partners in the respective business units and country companies. A number of codes of conduct that apply to managers and employees has been implemented and an external ombudsman hired as part of the compliance management system (CMS) of the REWE Group.

Objective

The aim of the CMS is to deter violations of legal regulations and internal company policies and, thus, prevent damage to the company and stop company bodies and employees from being held personally liable. The CMS focuses on around 120 REWE Group companies, which are selected according to certain criteria such as level of revenue and headcount. This achieves a high level of coverage. Acquisitions are gradually integrated into the CMS. In 2021, for instance, the integration of the Lekkerland Group as the new business segment Convenience into the compliance processes of the REWE Group was begun. The integration is scheduled to be completed in 2022.

Implementation

As part of an efficient CMS based on the IDW PS 980 standard, the REWE Group has set up a compliance programme that comprises a number of preventive steps – including risk assessments, training and consultations. The CMS was submitted to a readiness check by a highly respected auditing firm in 2015. As a result, an assessment of the CMS based on the recognised auditing standard (PS 980) of the Institute of Public Auditors in Germany has been prepared since 2016. The objective of the audit is to continuously refine the existing system. Processes and work packages were developed and implemented for this purpose through the end of 2018. As a result of limited resources and the impact of the coronavirus pandemic, some of the defined work packages could not be implemented throughout the combine in 2021. This situation has caused a delay in the performance of an appropriateness test as the second certification stage for companies in the compliance scope.

The Corporate Department of Governance & Compliance has been responsible for combine guideline management at the REWE Group since 2016. A group-wide process has been implemented for this. All group guidelines relevant to compliance are available to all employees in an interactive IT tool. Employees are also informed about all changes and additions to relevant combine guidelines in the intranet, among other areas.

GRI 205-1:

Operations assessed for risks related to corruption

With the help of an IT-supported tool, corruption risks are systematically recorded and evaluated for the entire REWE Group (nationally and internationally). The work focuses on both domestic and international company locations. As a result, all company locations in the compliance scope are assessed. Appropriate measures are developed on the basis of the risks recorded and evaluated. “Commercial bribery” was identified as a key corruption risk.

The conditions, guidelines and processes for combine-wide risk management related to the compliance risks anti-trust breaches and corruption are developed by the Corporate Department of Governance & Compliance. Since 2011, annual compliance risk analyses have been conducted and appropriate risk-management measures have been devised and implemented. As part of the integration project Governance Risk & Compliance (GRC), business operation risks and compliance risks are jointly compiled, evaluated according to the same criteria and integrated into a group-wide system solution (for more information about risk management, see the [Combined Management Report for business year 2021, pages 24–30](#)).

GRI 205-2:

Communication and training about anti-corruption policies and procedures

All administrative employees who work in business areas with the learning management system are required to attend an e-learning course called Compliance Basics. During the course, employees learn how to properly deal with gifts (anti-corruption). The course is complemented by another e-learning module on the topic of ethics, a course that primarily introduces students to the fundamental aspects of the REWE Group's Code of Conduct and ways to handle whistleblower information. Both courses include a repeat format that employees can use to refresh their compliance knowledge. The introduction was initiated in 2020 on a step-by-step basis and in a number of different languages. The work was successfully completed at the end of the year. All modules have been available since then throughout the Group on the appropriate learning management system. At smaller companies that are not part of a learning management system, the compliance departments responsible for the issue there are required to teach the content of the e-learning course during in-person classes or in some other appropriate manner.

The training is directed at managers and employees to an equal degree on the basis of a risk-focused approach. During the financial year, the company systematically offered training that was primarily provided as e-learning courses due to the coronavirus pandemic and workshops in which employees received subject-matter-specific information about compliance-appropriate behaviour. This approach will enable virtually all employees to be systematically trained about the subject over a period of two to three years.

The REWE Group provides information about compliance on its website. This information focuses in particular on tip-off management. Users can also download [the Code of Conduct](#) there. All employees of the REWE Group can find essential information about compliance in the intranet as well.

Total number of employees who have undergone anti-corruption and anti-corruption procedure training of the organisation

	2019	2019	2020		2020	2021		2021
	Non-management level, absolute	Management level, absolute	Non-management level, absolute		Management level, absolute	Non-management level, absolute		Management level, absolute
			In-person classes	E- learning courses*		In-person classes	E- learning courses*	
Trade Germany	201	61	170	4,451	74	234	10,482	57
Trade International	1,605	137	116	6,237	88	195	6,663	8
DIY stores	0	0	0	1,426	0	0	1,441	0
Travel and tourism	0	0	0	1,093	0	0	549	19
Other	77	32	0	2,122	0	12	5,901	2
Total	1,903	230	286	15,329	162	441	25,036	86

* In 2020 and 2021, training classes were primarily held as e-learning courses due to the coronavirus pandemic.

GRI 102-17:

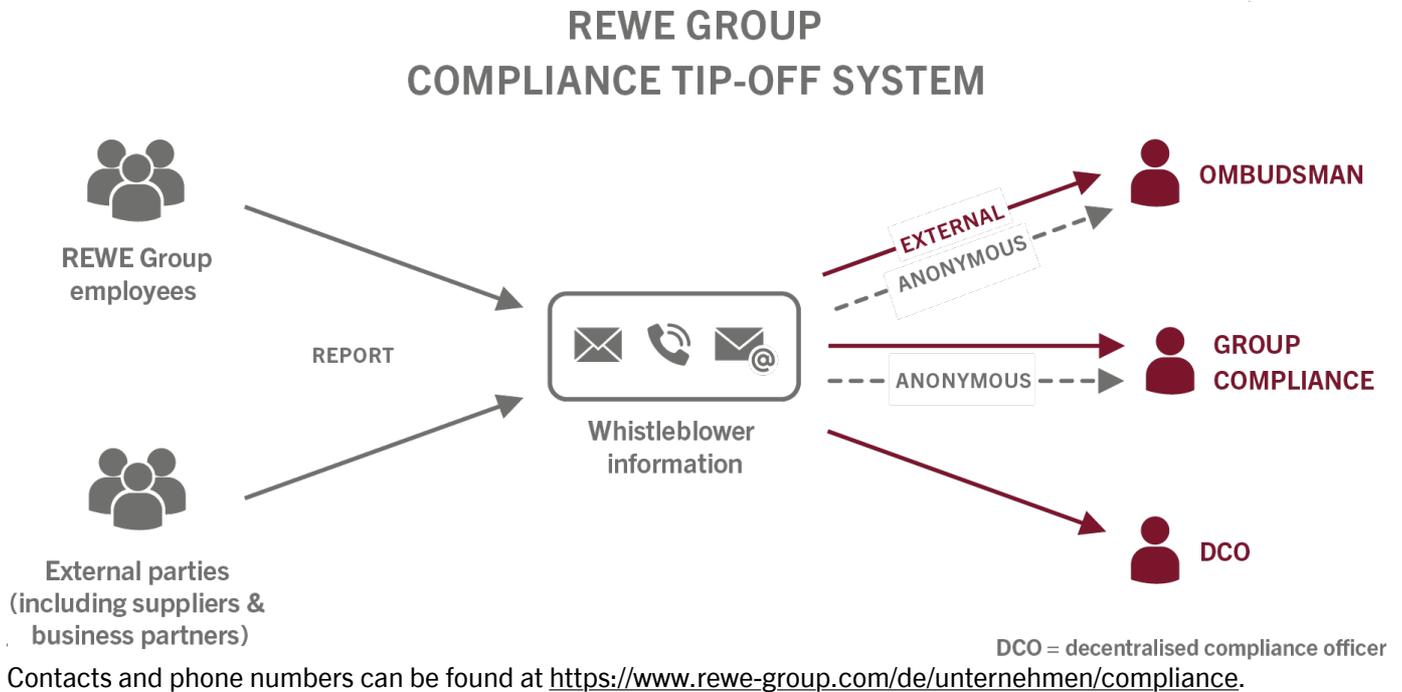
Mechanisms for advice and concerns about ethics

Decentralised compliance officers (DCO) and compliance delegates are available to all employees in each business segment of the REWE Group. This is also the case for the Corporate Department of Governance & Compliance. All employees of the REWE Group have an opportunity to anonymously speak with these contact partners about compliance issues at any time. They can contact them in a letter, an e-mail or a phone call to a hotline set up for this specific purpose.

Violations of legal regulations or internal rules, particularly regarding corruption, can be reported to a combine-wide whistleblower system. This facilitates a uniform Group-wide and transparent approach for dealing with whistleblower information. However, formal complaints can also be addressed to a number of different departments at REWE Group, including Management, Compliance, Quality Management and Purchasing. They can be addressed directly to

the stores as well.

Any employee of the REWE Group or a third party – including suppliers and business partners – can report tips to the compliance officer responsible for the issue or an external ombudsman. Information is relevant for compliance if there is a suspicion of a criminal or administrative offence or another breach of the rules (including internal policies). This particularly includes incidents of corruption or anti-trust breaches.



Once tips have been systematically recorded in the compliance tip-off tool, an assignment is made to the Corporate Department of Governance & Compliance or the appropriate DCO. The facts are then clarified, for example by the Group Audit Department, the Store Audit Department, external lawyers or the internal compliance organisation. Members of these groups will examine the allegations and report the results and measures to be taken as a result to the Corporate Department of Governance & Compliance. It is the responsibility of the operative units to implement these measures, which can involve such matters as labour or criminal issues. After clarification, the whistleblower will receive confirmation of completion. If whistleblower information proves to be unfounded, all personal data will be erased in line with the locally applicable statutory data protection requirements.

A combine-wide, web-based reporting channel is scheduled to be set up in 2022. Employees and third parties will be able to use this channel to pass on compliance tips. The tips may be submitted anonymously if requested. Nonetheless, the compliance organisation will be able to use a mailbox function to communicate with the whistleblower. The introduction of this digital reporting channel is designed in particular to completely implement requirements expected to be issued in connection with Directive (EU) 2019/1937 dated 23/10/2019 (the whistleblowing directive). At the time of this report, this directive had not been introduced into German law.

GRI 205-3:

Confirmed incidents of corruption and actions taken

The compliance department received seven tips about corruption in 2021. As a matter of principle, sanctions are imposed if violations are confirmed. For instance, business relations are terminated if a business partner is found to have violated anti-corruption regulations. The REWE Group has pledged to protect the identity of whistleblowers and affected individuals as part of its whistleblower management system. For example, comprehensive information about those affected or disciplinary actions may not be provided for data protection reasons because it may lead to inferences regarding personal data.

Together with decentralised compliance officers, the Corporate Department of Governance & Compliance holds annual workshops for the purpose of jointly refining the compliance programme and implementing preventive measures to minimise compliance risks.

GRI 206-1:

Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

The REWE Group does not report about investigations and their results because this information is covered by special confidentiality policies.

GRI 307-1:

Non-compliance with environmental laws and regulations

The REWE Group provides no information about the monetary amount of significant fines and the total number of non-monetary penalties imposed for failures to comply with environmental laws and regulations because of the inconsistent quality of this information throughout the combine. There are no plans to gather this information in future as the effort to acquire the data is not proportional to the benefits obtained from gathering it.

GRI 419-1:

Non-Compliance with laws and regulations in the social and economic area

The REWE Group provides no information about the monetary amount of significant fines and the total number of non-monetary penalties imposed for failures to comply with laws and regulations because of the inconsistent quality of this information throughout the combine. There are no plans to gather this information in future as the effort to acquire the data is not proportional to the benefits obtained from gathering it.

Additional information about compliance risks can be found in the [Group Management Report for business year 2021](#)

starting on page 28. Other provisions for court, litigation and legal-consulting costs are reported in note 35 of the Group Management Report for business year 2021 on page 138.



GRI 102-18 – 102-21

Sustainability Strategy

Sustainability is not a fleeting trend at the REWE Group. Rather, it is a fundamental element of its business strategy.” With this statement, the Management Board has clearly defined the company’s position in its Guidelines on Sustainable Business Practises. The REWE Group considers this to mean one thing: It assumes responsibility for its employees, deals fairly with partners and suppliers, promotes more sustainable product ranges, acts in an environmentally and climate-friendly manner and serves as an advocate of a sustainable society.

GRI 102-18: Governance structure

GRI 102-19: Delegating authority

GRI 102-20: Executive-level responsibility for economic, environmental, and social topics

GRI 102-21: Consulting stakeholders on economic, environmental, and social topics

The sustainability strategy of the REWE Group

Principles

As a leading international trade and tourism company, the REWE Group is keenly aware of the special role it plays as an interface among producers, suppliers and consumers. For this reason, the company’s sustainability strategy encompasses all areas of its business operations for the purpose of integrating more sustainable consumption and tourism into the general marketplace. The REWE Group draws up clear objectives in this effort and does not shy away from tackling complex problems. In taking this approach, it has acted as a pacesetter who has developed new approaches that have become widely employed standards. In implementing its sustainability strategy, the REWE Group conducts an intense dialogue with its stakeholders and enters into binding, long-term partnerships. After all, improvements can only be achieved if all stakeholders work towards common goals. In applying this strategy, the company continuously expands its share of more sustainable products and services and introduces the idea of more sustainable consumption to larger and larger segments of the population.

Sustainability: a key aspect of the mission statement

In 2008, the REWE Group added the words “We are aware of our responsibility and act sustainably” to its Company Mission Statement and set up a strategic sustainability management system. In 2010, it defined its [Guidelines on Sustainable Business Practices](#) and established a binding operational framework that forms the foundation for the REWE Group’s comprehensive commitment to sustainability. In taking these steps, the company acted as the trailblazer who lifted the issue of sustainability from its niche existence and turned it into mainstream matter for society as a whole. Today, the company is working to integrate sustainability into many other areas.

The REWE Group issued its [Declaration of principles on human rights](#) in April 2019. In this document, the combine commits itself to strengthening human rights and preventing human rights violations. This commitment applies both to its own business activities and to those of its global supply and value chains.

One of the main motivating factors behind the REWE Group’s commitment to sustainability is its desire to fuel the achievement of the United Nations’ 17 Sustainable Development Goals (SDGs). Eight of these goals are particularly relevant to the REWE Group and are discussed in the section [Sustainable Development Goals](#) in terms of potential impacts and the value chain.

Implementation

The REWE Group introduced four pillars of sustainability in 2008 for the purpose of implementing its sustainability strategy:

- Green Products
- Energy, Climate and the Environment
- Employees
- Social Commitment

Areas of action for each pillar define the key issues of the company’s sustainability commitment.

Implementation of the strategy in individual sales lines

When carrying out the sustainability strategy, the individual sales lines are given a lot of creative freedom to ensure maximum customisation of their own strategy and individual business model. For all sales lines, the higher-level topics of REWE Group's four pillars of sustainability and the [Guidelines on Sustainable Business Practises](#) serve as the joint roadmap and canon of values for the commitment to sustainability. Within this strategic framework, each sales line focuses on the topics that are important to it. For example, DER Touristik Group has defined the following five strategic areas of action for itself: "Environment and Nature", "Customers and Products", "Partners and Travel Destinations", "Employees" and "Society".

The sustainability strategies of the REWE Group and its sales lines undergo regular reviews that consider all available information, including surveys of customers, competitor analysis and analysis of political debates. In 2020, the company conducted in-depth materiality analysis in which consumers, employees and expert stakeholders were surveyed (for additional information, see the section [Materiality Analysis](#)). The results of this analysis were used to help to prioritise issues for 2022.

For more information about the areas of action and key performance indicators, see the higher-level management approaches for [Green Products](#), [Energy, Climate and the Environment](#), [Employees](#) and [Social Commitment](#).

The pillars of sustainability and areas of action at the REWE Group

Green Products

Areas of action:

1. People
2. Animals
3. Environment
4. Nutrition

Energy, Climate and the Environment

Areas of action:

1. Energy efficiency
2. Climate-relevant emissions
3. Conservation of resources

Employees

Areas of action:

1. Values and culture
2. Training and professional growth
3. Health and safety
4. Work and phases of life
5. Diversity and equal opportunity

Social Commitment

Areas of action:

1. Conscious diets and exercise
2. Opportunities for children and adolescents
3. Vigilant approach to food
4. Biodiversity and environmental protection

Sustainability organisation

Responsibility

At the REWE Group, sustainability is one of the top priorities of the company's leading managers. Since the sustainability strategy was introduced in 2008, it has been directed by the CEO. This executive believes that sustainable business practises are a precondition for the company's long-term success ([see the foreword by Lionel Souque](#)).

The four pillars of sustainability are overseen by Executive Board members or Managing Directors. This fact underscores the high priority that the company has given to the pillars and reflects the amount of work that goes into the issue. A discussion about sustainability issues takes place within the pillars of sustainability. Optimal and model methods, practises and approaches are shared and measures initiated. Project groups work together on the issues in a process that extends across sale lines and uses agile structures. The sales lines draw on these four pillars to develop

measures that reflect their goals and positioning. These measures are then approved as part of the sales lines' annual and strategy planning. As a result, responsibility extending all the way to the operation level is integrated into established decision-making processes.

The Department of Corporate Responsibility is responsible for implementing the sustainability strategy of the entire REWE Group and acts as a central interface between the sales lines and in dealings with external stakeholders.

As part of a strategic repositioning conducted in 2016, the REWE Group bolstered the sustainability organisation within the individual sales lines and integrated sustainability even more deeply into the company's business processes. The objective of the REWE Group's work here was to develop sustainability measures that focus more closely on the company's business and customers and to accelerate implementation. Twice a year, a Group-wide sustainability information event is held for the purpose of facilitating the dialogue on the management and Executive Board level among the individual sales lines (REWE, PENNY, Lekkerland, DER Touristik, toom Baumarkt DIY Stores and REWE International AG). The event is also used to promote the dialogue with such stakeholders as non-governmental organisations and share best practices. During the financial year, the REWE Group conducted these meetings as digital events due to the coronavirus pandemic just as it did in 2020.

Responsibility in the individual sales lines

For **REWE** and **PENNY in Germany**, the Department of Corporate Responsibility further refined the sustainability strategy in coordination with and under the supervision of the Executive Board members of the four pillars of sustainability – together with the particular strategy and specialists departments. The department assigned a key account employee for REWE and PENNY who will advance the sustainability strategy of the sales lines. The Department of Sustainability Products is responsible for the pillar Green Products. It reports directly to Purchasing and helps to design sustainable product ranges there.

The Sustainability advisory board

The Sustainability Advisory Board consists of five independent experts and representatives of non-governmental organisations. It is involved in the development, assessment and implementation of sustainability-related measures of the REWE and PENNY sales lines in Germany. This includes both work within the PRO PLANET process and the continuous fine-tuning of the REWE Group's sustainability strategy, e.g. through involvement in the creation and updating of guidelines. For more information, see the section [PRO PLANET](#) and [Stakeholder Dialogue](#).

At **toom Baumarkt DIY Stores**, the management team of Purchasing and Logistics has had the chief responsibility for sustainability since 2018. Sustainability management is organised here on the basis of the four pillars of sustainability just as it is in the entire REWE Group. In addition, a specialist department in Purchasing continuously works on the issue. This department's responsibility includes optimising the product range with more sustainable products and

coordination of sustainability issues throughout toom Baumarkt DIY Stores. Decisions about the strategic focus, measures and projects are taken by a sustainability committee at regular meetings. This committee is composed of representatives of the management team, managers for the pillars and other nominated employees from relevant specialist departments.

The central sustainability department helps the International Management Board of the **DER Touristik Group** to develop strategy as well as coordinates and manages implementation measures. The Chief Executive Officer (CEO) assumes the main responsibility for sustainability at the DER Touristik Group. The sustainability officers of the individual country units are represented in an international CR board where they discuss their particular needs. Strategic focal-point issues of the DER Touristik Group could be jointly defined as a result. The board meets once a year to conduct a review and do additional planning. It also holds regular discussions about current issues. Local CR steering committees in the national units coordinate and steer sustainability topics at the local level. A CR steering committee for Germany, Austria and Switzerland was set up at the end of 2019. It is composed of managers from the relevant departments and its responsibilities include the development and regional implementation of the group strategy.

At **Lekkerland**, the Chief Operating Officer (COO) oversees the issue of sustainability. Overall management of the sustainability strategy of the Lekkerland Group is done by the Department of Quality Management and Corporate Responsibility. In 2021, Lekkerland was integrated into various working groups and projects related to the sustainability issues of the REWE Group on a step-by-step basis.

The sustainability organisation of **REWE Group in Austria** is led by the Management Board of REWE International AG, which is supported by the Sustainability Department. Responsibility in the individual trade companies under the umbrella of REWE International AG is assigned to the respective board members, management teams and top executives. Working and project groups involved in each of the four sustainability pillars are responsible for implementation of measures. As a result of the tight integration of sustainability management into the strategies of the trade companies under the umbrella of REWE International AG, sustainability is an integral part of its business activities.

You will find more information about the approaches of the pillars of sustainability here in the report:

- Management approach [Green Products](#)
- Management approach [Energy, Climate and the Environment](#)
- Management approach [Employees](#)
- Management approach [Social Commitment](#)



GRI 102-21, 102-40, 102-42 – 102-44

Stakeholder Dialogue

As a trade and tourism company that has millions and millions of contacts with customers every day, the REWE Group has a tremendous opportunity, as well as a responsibility, to integrate sustainability into its business operations. The company hears important ideas during the direct, personal dialogue that it conducts with a wide range of stakeholders in such places as (digital) events, podium discussions and presentations. The REWE Group shares its experience in sustainability in these settings. The result is a discussion and a discourse that benefit everyone involved.

GRI 102-21: Consulting stakeholders on economic, environmental and social topics

GRI 102-40: List of stakeholder groups

GRI 102-42: Identifying and selecting stakeholders

GRI 102-43: Approach to stakeholder engagement

GRI 102-44: Key topics and concerns raised

Approach by the REWE Group

Background

The relevant stakeholder groups for the REWE Group were defined for the first time as part of the Sustainability Strategy that the company devised in 2008. This collaborative effort is regularly refined during intensive discussions conducted during such activities as REWE Group dialogue forums, meetings of the Sustainability Advisory Board and stakeholder surveys. The key stakeholder groups with which the company conducts its discussions include suppliers, consumers, business partners, political leaders, government authorities, the scientific community and non-governmental organisations (NGOs). This dialogue also extends to the company's own employees, Works Council, managers and independent retailers. The REWE Group conducted a stakeholder mapping in 2015 and 2016 to identify relevant NGOs in the areas of social issues, the environment, consumers, animal welfare, climate protection, conscious diets and emergency assistance. This mapping remains relevant and is continuously refined – it then flows into the planning for stakeholder communications.

Stakeholder	Type of Inclusion
Customers	<ul style="list-style-type: none"> Sustainability campaigns Point-of-sale activities Social media Customer-satisfaction surveys Market research Customer service Online platform utopia.de
Employees	<ul style="list-style-type: none"> Dialogue forums (digital and in-person) Works Council Internal communications Employee survey Employee participation campaigns REWE Employee Advisory Board on Sustainability
Independent Retailers	<ul style="list-style-type: none"> Dialogue forums (digital and in-person) Joint projects Joint committees Sustainability ambassadors REWE retailers
Suppliers	<ul style="list-style-type: none"> Dialogue forums (digital and in-person) Communication of guidelines Joint projects
Business Partners	<ul style="list-style-type: none"> Communication of guidelines
Political Leaders	<ul style="list-style-type: none"> Dialogue forums (digital and in-person) Continuous discussions Memberships of associations Offices in Berlin and Brussels
NGOs	<ul style="list-style-type: none"> Dialogue forums (digital and in-person) Continuous discussions Sustainability Advisory Board Strategic partnerships Joint projects Responses to inquiries
The Scientific Community	<ul style="list-style-type: none"> Dialogue forums (digital and in-person) Partnerships with universities Execution of studies
Media	<ul style="list-style-type: none"> Dialogue forums (digital and in-person) Responses to journalists' questions Influencer relations (including visits to producers)

Formats used in the stakeholder dialogue

The institutionalised dialogue conducted with stakeholders and communications with the major and trade media is overseen by the Department of Corporate Responsibility and the sustainability and communications departments of the sales lines.

The REWE Group has been holding its dialogue forums, a venue for personal, open and candid discussions with its stakeholder groups, since 2010. As part of this process, the REWE Group uses a number of different formats, extending from large dialogue events with up to 450 participants to smaller, theme-focused dialogues for experts.

In 2021, the company was unable to conduct any in-person events at all or not in their previous form due to contact and travel restrictions imposed in response to the corona pandemic. The REWE Group initially responded to the pandemic in 2020 by holding digital stakeholder dialogues and workshops – this process was continued during the reporting period. The REWE Group held its first digital dialogue forum in April: Nearly 450 people from politics, the scientific community, NGOs and the REWE Group attended the event. The REWE Group showed videos about its current projects during the meeting. The dialogue forum also included a round of discussions in which participants were able to ask questions in a live chat. The discussions centred on the latest developments in sustainability during the pandemic and on potential sustainability steps that the REWE Group could take as it shapes its sustainability programmes on the basis of the lessons it learned during the crisis. The dialogue is scheduled to be held in a hybrid format in 2022. Attendees will be able to join the discussion either in person or online. In June, a digital dialogue for experts was held on the topics of Nutri-Score and ErnährWert (nourishment level). The dialogue gave the company an opportunity to discuss the issue of balanced diets with expert stakeholders.

The REWE Group has also been a partner of the German Sustainability Award and Day since 2011. A special award on packaging was initiated in 2019 as part of this partnership. The event was held for the 14th time in December 2021. The REWE Group participated in four REWE Talks during the congress programme. The discussions, some of which used a hybrid format, brought together a range of different representatives of the food combine and experts from various sustainability areas.

The experts of the REWE Group also hold background discussions and conduct institutionalised dialogues with expert stakeholders in various areas – including as part of roundtable discussions, working groups and forums. They also speak and attend podium discussions and (digital) dialogue events for the purpose of sharing the experience they have gained in the implementation of sustainability programmes and exchanging speciality information during a constructive dialogue.

The REWE Group updated its materiality analysis at the end of 2020. During this work, 6,150 consumers, employees and other expert stakeholders had a chance to express their expectations to the company. By taking this approach, the REWE Group can concentrate its activities even more closely on the needs of its stakeholders (for more information, see the section [Materiality Analysis](#)).

An important body of the stakeholder dialogue is the Sustainability Advisory Board. This board provides expert support to the REWE Group as the company refines its sustainability strategy and works to make its product range even more sustainable. The board assists with communications questions as well. The board grew out of the PRO PLANET Advisory Board whose role was expanded in 2019. As part of its work, the board now works with the REWE Group on the development and implementation of all sustainability-relevant goals and measures used in the pillar Green Products for the REWE and PENNY sales lines in Germany. The board confronts the company with the sustainability-related demands of the scientific community and NGOs. At the same time, it acts as an idea generator, co-developer and communications partner of the REWE Group. The advisory board also shares its subject-matter expertise and draws on its networks. In the process, it serves as a catalyst for internal and, when necessary, external discussions. Each board member has been assigned a special issue to cover (for more information, see the section [PRO PLANET](#)).

Members of the Sustainability Advisory Board:

- Abel, Georg (Die VERBRAUCHER INITIATIVE e.V.), advisory board expert on consumers
- Geier, Bernward (COLABORA), advisory board expert on organic products
- Hütz-Adams, Friedel (SÜDWIND e.V.), advisory board expert for the area of action “people”
- Klöckner, Kristian (NABU Bundesverband e.V.), advisory board expert for the area of action “the environment”
- Pöpken, Stefanie (independent expert for animal welfare in farming), advisory board expert for the area of action “animals”

Strategic partnership with NABU

In 2015, the REWE Group entered into a strategic partnership with the German environmental group NABU in a step that intensified the collaborative relationship that the two groups initiated in 2009. As part of this effort, the joint project work being conducted in the areas of biodiversity and PRO PLANET was expanded and an agreement was reached to collaborate on such issues as protection of the seas, packaging, conservation of resources and the fostering of biological diversity. During working groups and strategy workshops, NABU and the REWE Group drew up roadmaps covering the achievement of the sustainability goals set by both groups. One key aspect of the partnership is a constructive and candid discussion that is conducted on both the working level and between the Management Board of the REWE Group and the President of NABU. NABU serves as both an important generator of ideas that can be used to refine the company’s sustainability strategy and a years-long project-implementation partner.

As part of this work, the REWE sales line became a partner in the NABU project “Gemeinsam Boden gut machen” (making up ground together) in 2020. The project provides support to farmers who want to convert their operations to organic farming or expand their existing organic farms. Starting in 2022, REWE will make an annual contribution of five million euros to NABU’s newly established climate fund for a period of five

years. The money will be used to purchase or lease moors and wet meadows – with a focus on areas in Germany and EU countries located in the Baltic Sea region – that were dewatered or degraded in the past for the purpose of agriculture or peat extraction. The objective of the project is to re-irrigate these areas so that they can perform their original function as carbon sinks and habitats for many varieties of animals. In addition, farms will be assisted with their conversion from conventional operations to a climate-protecting wet-meadow management (for more information, see the section [Projects and Sponsorships](#)).

Customer and employee communications

The sales lines assume responsibility for communicating with customers about the issue of sustainability. To do so, they use weekly fliers, travel catalogues, their websites, social media channels, their stores and campaigns, among other things. This is one approach they can take to increase consumers' understanding of sustainability as well as of environmentally friendly and socially responsible products. With this information in hand, consumers can make informed purchasing decisions (for more information, see the section [Promoting Sustainable Consumption](#)”).

At the same time, employees are informed, sensitised and excited about the issue. The reason for this is clear: This workforce acts as the interface to customers and suppliers. In their role as important contact partners for sustainability questions, employees are the very people who enable the REWE Group to stand out from its competitors.

To foster the discussion about sustainability among the workforce, the REWE sales line created the REWE Employee Advisory Board on Sustainability in 2020. Employees representing the regions, stores and logistics meet twice a year to fuel various sustainability issues within the company. The board met for the first time in March 2021, and it held its first in-person meeting in October.

The active integration of independent REWE retailers also plays a special role: These individuals attend various coordination meetings. Their ideas and experience flow into the relevant decisions that define the REWE Group's commitment to sustainability. A group of experts comprised of retailers, the so-called sustainability ambassadors, meets together twice a year to discuss new project ideas and campaigns as well as to foster the dialogue between the retailers and the sustainability area. The sustainability ambassadors are responsible for promoting sustainability issues in their region.

All employees in REWE and PENNY stores as well as those in the REWE Group's headquarters have a chance to expand their base of knowledge about sustainability by using an e-learning tool. The related e-learning programme at REWE was revamped in 2018 and won the eLearning Award in the category of Gamification in 2019. At toom Baumarkt DIY stores, the e-learning programme on sustainability also helps employees in stores and the headquarters gain more information about relevant sustainability issues on the basis of the four sustainability pillars.



GRI 102-45, 102-48, 102-50 – 102-56

Report Profile

GRI 102-45:

Entities included in the consolidated financial statements

This report covers the REWE Combine companies for Germany and Austria, including independent retailers in the partnership model (hereinafter identified as retailers in the report).

A clear declaration in reporting the data has been made in those places where detection limits deviate. As part of this practise, REWE Dortmund and locations outside Germany and Austria are included in the energy data of the pillar Energy, Climate and the Environment.

The key figures for the pillar Employees also include the approximately 72,000 employees of independent REWE retailers who operate their stores primarily on the basis of the REWE partnership model. For this purpose, REWE and the individual retailer jointly establish a general mercantile partnership. The key figures cover all retailers who can be recorded via a central accounting system – a figure that totals about 95 per cent.

The business-related sustainability activities undertaken by the independent retailers are tracked only in individual cases and reported there due to the large number of activities and the retailers' commercial independence. This is also the case for locations outside Germany and Austria.

GRI 102-48:

Restatements of information

The new business segment Convenience was formed as part of the acquisition of the Lekkerland Group effective 1 January 2020. The segment comprises the divisions Convenience Germany, Convenience International and Convenience Central Businesses. The integration of the Lekkerland Group was not fully completed in financial year 2021. This process will continue to take some time due to data integration, process harmonisation and goal setting. For this reason, the Lekkerland sales line is not generally included in the data and key figures. A specific mention is made if the data and key figures from Lekkerland are used.

The method for collecting the data for the carbon footprint on the company level was modified in 2021. Unlike previous reporting years, the focus of the data collection was expanded from Germany and Austria to all countries and companies where the REWE Group does business. In addition, 2019 was defined as a new base year and replaced the former base year of 2006. As a result, the new targets correspond to an emission level that considers the positive effect created by the use of green power in Germany and Austria. Where necessary, the data in the section climate protection on the company level as well as Energy for 2019 and 2020 was recalculated on this basis and may no longer correspond with information contained in the Sustainability Reports for 2019 and 2020.

In the area of Employees, minimum deviations from previous years' figures occurred. No special reference is made to them due to their negligibility. These deviations arose as a result of a switch made in 2021 to a new data model in the evaluation software. The chapter Economic Performance is affected by this change.

GRI 102-50:

Reporting period

The REWE Group's Sustainability Report 2021 is based on business year 2021 (1st January 2021 to 31st December 2021). It was released on 27th June 2022. The editorial deadline was 12th June 2022.

GRI 102-51:

Date of most recent report

The REWE Group's Sustainability Report 2020 was released on 30th June 2021.

GRI 102-52:

Reporting cycle

The REWE Group has been issuing its Sustainability Report annually since 2017. The report was issued biennially between 2009 and 2016.

GRI 102-53:

Contact point for questions regarding the report

Many specialised employees from a range of units at the REWE Group worked on this sustainability report. They practise sustainability in various departments, countries and numerous thematic areas. The Corporate Responsibility Department led by Nicola Tanaskovic is responsible for the preparation of the report and is the contact point for all questions regarding it:

E-mail: nachhaltigkeit@rewe-group.com

Telephone: [+49 221 149-1791](tel:+492211491791)

Editorial note: In this report, the REWE Group uses respectful, gender-neutral language.

GRI 102-54:

Claims of reporting in accordance with the GRI standards

This report was prepared in accordance with the GRI Standards: “Core” option.

GRI 102-55:

GRI content index



Like last year’s report, the Sustainability Report 2021 is based on the GRI Standards. In the statement of the Materiality Disclosures Service, the GRI Services Team confirms that the GRI Content Index is presented comprehensibly and the references for disclosures 102-40 to 102-49 match the corresponding sections in the report.

Disclosure	Link to website
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Organizational Profile	
GRI 102-1: Name of the Organization	REWE Group Portrait
GRI 102-2: Activities, Brands, Products, and Services	REWE Group Portrait
GRI 102-3: Location of Headquarters	REWE Group Portrait
GRI 102-4: Location of Operations	REWE Group Portrait

Disclosure**Link to website**

GRI 102-5: Ownership and Legal Form

[REWE Group Portrait](#)

GRI 102-6: Markets Served

[REWE Group Portrait](#)

GRI 102-7: Scale of the Organization

[REWE Group Portrait](#)

GRI 102-8: Information on Employees and Other Workers

[Employee Structure](#)

GRI 102-9: Supply Chain

[Supply Chain](#)

GRI 102-10: Significant Changes to the Organization and Its Supply Chain

[REWE Group Portrait](#)

GRI 102-11: Precautionary Principle or Approach

[Risk Management](#) [Product-Related Risk Analyses](#)

GRI 102-12: External Initiatives

[Initiatives and Memberships](#)

GRI 102-13: Membership of Associations

[Initiatives and Memberships](#)

Strategy

GRI 102-14: Statement from Senior Decision-Maker

[Foreword by Lionel Souque](#)

Ethic and Integrity

GRI 102-16: Values, Principles, Standards, and Norms of Behaviour

[Principles and Guidelines](#)

GRI 102-17: Mechanisms for Advice and Concerns about Ethics

[Compliance](#)

Company Management

GRI 102-18: Governance Structure

[Sustainability Strategy](#)

GRI 102-19: Delegating Authority

[Sustainability Strategy](#)

GRI 102-20: Executive-Level Responsibility for Economic, Environmental and Social Topics

[Sustainability Strategy](#)

GRI 102-21: Consulting Stakeholders on Economic, Environmental and Social Topics

[Sustainability Strategy](#)
[Stakeholder Dialogue](#)

Inclusion of Stakeholders

GRI 102-40: List of Stakeholder Groups

[Stakeholder Dialogue](#)

GRI 102-41: Collective Bargaining Agreements

[Employee Structure](#)

GRI 102-42: Identifying and Selecting Stakeholders

[Stakeholder Dialogue](#)

GRI 102-43: Approach to Stakeholder Engagement

[Stakeholder Dialogue](#)

Disclosure	Link to website
GRI 102-44: Key Topics and Concerns Raised	Stakeholder Dialogue
Reporting Practises	
GRI 102-45: Entities Included in the Consolidated Financial Statements	Report Profile
GRI 102-46: Defining Report Content and Topic Boundaries	Materiality Analysis
GRI 102-47: List of Material Topics	Materiality Analysis Report Profile Economic Performance Work and Phases of Life Employee Structure Climate Protection on the Company Level Waste Energy PRO PLANET
GRI 102-48: Restatements of Information	Regionality
GRI 102-49: Changes in Reporting	Materiality Analysis
GRI 102-50: Reporting Period	Report Profile
GRI 102-51: Date of Most Recent Report	Report Profile
GRI 102-52: Reporting Cycle	Report Profile
GRI 102-53: Contact Point for Questions Regarding the Report	Report Profile
GRI 102-54: Claims of Reporting in Accordance with the GRI Standards	Report Profile
GRI 102-55: GRI Content Index	Report Profile
GRI 102-56: External Assurance	Report Profile

Key Topics

GRI 201: Economic Performance 2016

GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Economic Performance
GRI 201-1: Direct Economic Value Generated and Distributed	Economic Performance
GRI 201-3: Defined Benefit Plan Obligations and Other Retirement Plans	Economic Performance

Disclosure	Link to website
GRI 203: Indirect Economic Impacts 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Projects and Sponsorships
GRI 203-1: Infrastructure Investments and Services Supported	Projects and Sponsorships
GRI 203-2: Significant Indirect Economic Impacts	Projects and Sponsorships
GRI 204: Procurement Practises 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Regionality
GRI 204-1: Proportion of Spending on Local Suppliers	Regionality
GRI FP1: Percentage of Purchased Volume from Suppliers Compliant with Company's Sourcing Policy	Raw Materials in Focus – Food Raw Materials in Focus – Non-Food
GRI FP2: Percentage of Purchased Volume That is Certified on the Basis of Recognised Standards	Organic PRO PLANET
GRI FP10: Healthy, Affordable Food	Nutrition
GRI 205: Anti-Corruption 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Compliance
GRI 205-1: Operations Assessed for Risks Related to Corruption	Compliance
GRI 205-2: Communication and Training about Anti-Corruption Policies and Procedures	Compliance
GRI 205-3: Confirmed Incidents of Corruption and Actions Taken	Compliance
GRI 206: Anti-Competitive Behaviour 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Compliance
GRI 206-1: Legal Actions for Anti-Competitive Behavior, Anti-Trust and Monopoly Practise	Compliance

Disclosure	Link to website
GRI 207: Tax 2019	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Tax
GRI 207-1: Approach to Tax	Tax
GRI 207-2: Tax Governance, Control, and Risk Management	Tax
GRI 207-3: Stakeholder Engagement and Management of Concerns Related to Tax	Tax
GRI 301: Materials 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Materials Packaging Circular Economy
GRI 301-1: Materials Used by Weight or Volume	Materials
GRI 301-2: Recycled Input Materials Used	Materials
GRI 302: Energy 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Energy
GRI 302-1: Energy Consumption Within the Organization	Energy
GRI 302-3: Energy Intensity	Energy
GRI 302-4: Reduction of Energy Consumption	Energy
GRI 303: Water and Effluents 2018	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Operational Water Consumption Water
GRI 303-3: Water Withdrawal	Operational Water Consumption Water
GRI 304: Biodiversity 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Biodiversity
GRI 304-2: Significant Impacts of Activities, Products, and Services on Biodiversity	Biodiversity

Disclosure	Link to website
GRI 305: Emissions 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Climate Protection on the Company Level Climate Protection in the Supply Chain
GRI 305-1: Direct (Scope 1) GHG Emissions	Climate Protection on the Company Level
GRI 305-2: Energy Indirect (Scope 2) GHG Emissions	Climate Protection on the Company Level
GRI 305-3: Other Indirect (Scope 3) GHG Emissions	Climate Protection on the Company Level
GRI 305-4: GHG Emissions Intensity	Climate Protection on the Company Level
GRI 305-5: Reduction of GHG Emissions	Climate Protection on the Company Level Logistics and Mobility
GRI 305-6: Emissions of Ozone-Depleting Substances (ODS)	Climate Protection on the Company Level
GRI 305-7: Nitrogen Oxides (NO _x), Sulfur Oxides (SO _x), and Other Significant Air Emissions	Climate Protection on the Company Level Logistics and Mobility
RG1: Green Building	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Green Building
RG1-1: Number of REWE stores that meet the requirements of the German Sustainable Building Council (Green Building)	Green Building
GRI 306: Waste 2020	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Waste Circular Economy
GRI 306-1: Waste Generation and Significant Waste-Related Impacts	Waste
GRI 306-2: Management of Significant Waste-Related Impacts	Waste
GRI 306-3: Waste Generated	Waste
GRI 307: Environmental Compliance 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Compliance
GRI 307-1: Non-Compliance with Environmental Laws and Regulations	Compliance

Disclosure	Link to website
GRI 308: Supplier Environmental Assessment 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Environmental Aspects in the Supply Chain
GRI 308-2: Negative Environmental Impacts in the Supply Chain and Actions Taken	Environmental Aspects in the Supply Chain
FP 10: Animal Welfare	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	FP 10: Animal Welfare
GRI FP10: Physical alterations of animals	FP 10: Animal Welfare
GRI 401: Employment 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Work and Phases of Life
GRI 401-1: New Employee Hires and Employee Turnover	Work and Phases of Life
GRI 401-3: Parental Leave	Work and Phases of Life
GRI 402: Labour/Management Relations 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Labour/Management Relations
GRI 402-1: Minimum Notice Periods Regarding Operational Changes	Labour/Management Relations
GRI 403: Occupational Health and Safety 2018	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Occupational Health and Safety
GRI 403-1: Occupational Health and Safety Management System	Occupational Health and Safety
GRI 403-2: Hazard Identification, Risk Assessment and Incident Investigation	Occupational Health and Safety
GRI 403-3: Occupational Health Services	Occupational Health and Safety
GRI 403-4: Worker Participation, Consultation, and Communication on Occupational Health and Safety	Occupational Health and Safety
GRI 403-5: Worker Training on Occupational Health and Safety	Occupational Health and Safety
GRI 403-6: Promotion of Worker Health	Occupational Health and Safety
GRI 403-7: Prevention and Mitigation of Occupational Health and Safety Impacts	Occupational Health and Safety
Directly Linked by Business Relationships	
Occupational Health and Safety	

Disclosure	Link to website
GRI 403-9: Work-Related Injuries	Occupational Health and Safety
GRI 404: Further Training and Development 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Further Training and Development
GRI 404-2: Programs for Upgrading Employee Skills and Transition Assistance Programmes	Further Training and Development
GRI 404-3: Percentage of Employees Receiving Regular Performance and Career Development Reviews	Further Training and Development
GRI 405: Diversity and Equal Opportunity 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Diversity and Equal Opportunity
GRI 405-1: Diversity of Governance Bodies and Employees	Diversity and Equal Opportunity
GRI 405-2: Ratio of Basic Salary and Remuneration of Women to Men	Diversity and Equal Opportunity
GRI 406: Non-Discrimination 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Equal Treatment
GRI 406-1: Incidents of Discrimination and Corrective Actions Taken	Equal Treatment
GRI 412: Human Rights Assessment 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Social Aspects in the Supply Chain
GRI 412-2: Employee Training on Human Rights Policies or Procedures	Social Aspects in the Supply Chain
GRI 413: Local Communities 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Child protection
GRI 413-2: Operations with Significant Actual and Potential Negative Impacts on Local Communities	Child protection
GRI 414: Supplier Social Assessment 2016	
	Social Aspects in the Supply Chain
	Living Wages
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Women in the Supply Chain
GRI 414-2: Negative Social Impacts in the Supply Chain and Actions Taken	Social Aspects in the Supply Chain

Disclosure	Link to website
GRI 415: Public Policy 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Collaboration with Political Leaders
GRI 415-1: Political Contributions	Collaboration with Political Leaders
GRI 416: Customer Health and Safety 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Customer Health and Safety
GRI 416-1: Assessment of the Health and Safety Impacts of Product and Service Categories	Customer Health and Safety
GRI 416-2: Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Customer Health and Safety
GRI 417: Marketing and Labeling 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Promotion of Sustainable Consumption
GRI 417-1: Requirements for Product and Service Information and Labeling	Promotion of Sustainable Consumption
GRI 417-3: Incidents of Non-Compliance Concerning Product and Service Information and Labeling	Promotion of Sustainable Consumption
GRI 418: Customer Privacy 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Data Protection
GRI 418-1: Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Data Protection
GRI 419: Socioeconomic Compliance 2016	
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	Compliance
GRI 419-1: Non-Compliance with Laws and Regulations in the Social and Economic Area	Compliance

GRI 102-56:

External assurance

The REWE Group engages KPMG Wirtschaftsprüfungsgesellschaft AG to conduct a limited assurance review for select data of this report. The reviewed sections of the report are identified by this symbol ✓. The independent assurance report includes data about the engagement and the presentation of the review results (see [Independent Assurance Report](#)).

The carbon footprint report is calculated and reviewed by an external service provider: by INFRAS AG for Germany and by denkstatt GmbH for Austria and CEE.



GRI 102-46, 102-47, 102-49

Materiality Analysis

From food retailing to DIY stores and tourism – the business operations of the REWE Group cover a broad range of areas. The potential material sustainability topics that could affect the company are just as varied. In addition to such instruments as Product-related Risk Analyses, materiality analysis is a method that the REWE Group uses to identify material topics and set priorities in its policy-development work. Two considerations play a major role in these efforts: the views of internal and external stakeholders and the impact of the company’s business operations on people, animals and the environment.

GRI 102-46:

Defining report content and topic boundaries

In 2020, the REWE Group revised its materiality analysis to reflect new conditions. The results of the analysis conducted in 2018 served as the basis of this work. The original 18 sustainability issues in the area of corporate responsibility were reviewed in terms of their currency and relevance. In addition, considerations were given to focal points that had not yet been addressed. In this work, the list of topics was compared with various frameworks, including the GRI Standards and the German Sustainability Code. To improve comprehension, the terminology used to describe selected topics was revised. As a result, the topic “conscious diets” was broken down into two segments: “promotion of healthy diets” and “expansion of the range of sustainable products” to simplify the issue. The result of the work was a consolidated list of 19 sustainability topics.

The REWE Group also added five other topics to these 19 issues. However, these issues were not included in the analysis because they affect overarching management concepts that are particularly relevant for the business activities of the REWE Group or because the company would have to disclose information about these topics to meet the requirements of the GRI standards. The five topics are:

- Sustainability in company management
- Integrity and compliance
- Fair business relationships

- Stakeholder dialogue
- Business performance

In a second step, the REWE Group conducted an online survey of consumers, employees and other expert stakeholders. A total of 6,150 respondents in Germany and Austria* rated the relevance of the 19 topics. The respondents considered the following issues to be particularly relevant to the REWE Group:

- Animal welfare
- Increased environmentally friendly packaging
- Climate protection
- Fair working conditions in the REWE Group's own companies
- Environmental aspects in the supply chain

The topic of animal welfare was rated as a higher priority than it was in the last survey conducted in 2018.

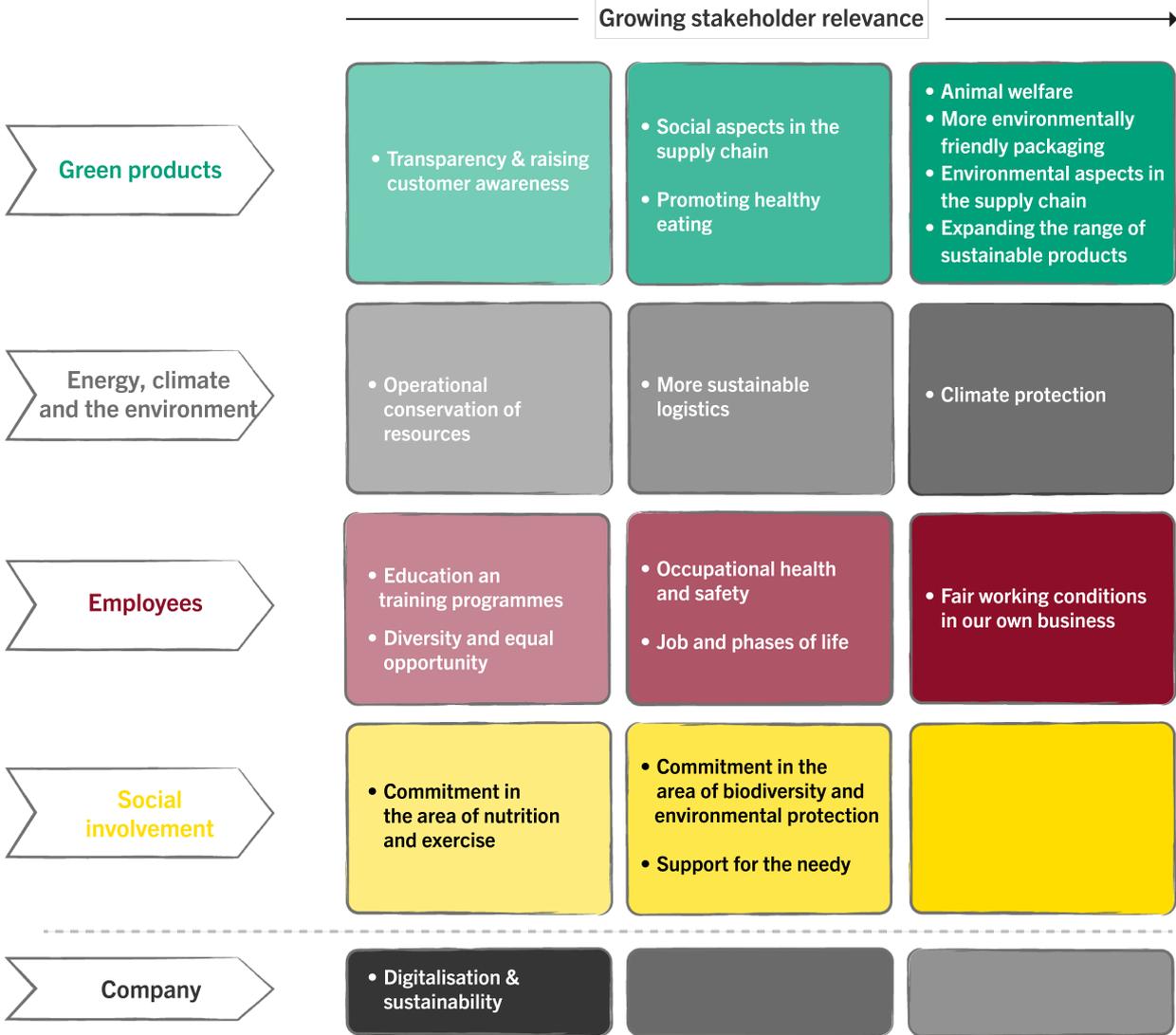
In addition to prioritising the 19 topics, the respondents had an opportunity to express their specific expectations about their own top issue. In regards to the most highly relevant issue of **animal welfare**, respondents expressed a desire in particular for a larger selection of animal-based products created under very good livestock farming conditions. Another key expectation was the delisting of animal-based products created under poor livestock farming conditions.

In terms of **increased environmentally friendly packaging**, a large number of respondents cited the need to avoid plastic, reduce packaging volume, increase reusable solutions and make environmentally conscious improvements in packaging.

The respondents viewed the topic of **climate protection** as a cross-sectoral issue. They expect the REWE Group to base all decisions on climate protection. Many of the respondents rated short delivery routes resulting from the use of a larger range of regional products as an important factor.

The respondents were also asked to rate the REWE Group's performance in terms of their own "top issue". Overall, at least half of the respondents gave the REWE Group's performance regarding each of the 19 topics a grade of C. The respondents were most satisfied with the company's performance in education and training: 77 per cent gave the company a grade of C or better in this area. The topics that ranked two and three on the performance list were expansion of the range of sustainable products and occupational health and safety. The REWE Group's performance in the areas of more sustainable logistics, digitalisation and sustainability as well as animal welfare received the lowest scores.

The results of the materiality analysis were presented to top management in a range of committees and working groups. They will be used along with other information in the company’s annual review of its sustainability strategy (for more information, see the segment [Sustainability Strategy](#)).



* Number of respondents to the consumer and employee survey by group: 3,848 Germany (external), 655 Germany (internal), 505 Austria (external), 1,144 Austria (internal). The groups were weighted to calculate the overall result.

List of material topics

Topics of the materiality analysis	Corresponding GRI topics
Green products	
Expansion of the range of sustainable products: Including a larger percentage of products with sustainability labels and certifications (organic, regionality and Fairtrade, amongst other things)	Procurement practices (GRI 204) Percentage of purchased volume that is certified on the basis of recognised standards (GRI FP2)
Promotion of healthy diets: Including reduced-sugar products, nutritional information labelling and nutrition tips for a broader and healthy diet	Healthy and affordable food (FP)
Environmental aspects in the supply chain: Including consideration of environmental aspects in the supply chain / during procurement by the REWE Group (reductions in pesticides and chemicals to protect biodiversity, protection of water-stressed areas and deforestation-free land usage, amongst other things)	Supplier environmental assessment (GRI 308)
Social aspects in the supply chain: Including consideration of social aspects in the supply chain / during procurement by the REWE Group (in terms of human rights, the avoidance of forced and child labour, fair wages, amongst other things)	Supplier social assessment (GRI 414) Human rights assessment (GRI 412)
Animal welfare: Including observance and improvement of animal protection standards (more space for animals, no castration of pigs without anaesthesia and no beak trimming, amongst other things) and protection of animal rights at travel destinations	Animal welfare (FP10)
Transparency and customer sensitisation: Including the labelling of products and services (clear information about farming conditions, traceability, sustainability seals and labels for products and trips, amongst other things)	Marketing and labeling (GRI 417)
Increased environmentally friendly packaging Including the avoidance, reduction and improvement of packaging (through non-plastic or unpacked products, reusable packaging and return systems as well as recycling of packaging, amongst other things)	Materials (GRI 301)

* The topic "digital responsibility" is not an explicit topic covered by the GRI Standards. For this reason, the abbreviation "RG 2" bears no relation to the GRI Standards. Rather, it is an indicator created for the REWE Group's own purposes.

Topics of the materiality analysis	Corresponding GRI topics
Energy, climate and the environment	
<p>Conserving company resources: Including energy efficiency (LED lighting systems and efficient refrigerating units in stores, amongst other things), more sustainable construction practises (stores constructed in accordance with the standard of the German Sustainable Building Council, hotels, amongst other things), reduced water consumption and systematic waste management, amongst other things)</p>	<p>Materials (GRI 301) Green building (RG1)</p>
<p>Climate protection: Including the reduction of CO₂ emissions and other greenhouse gas emissions (through additional climate friendly products, renewable energies and environmentally conscious refrigeration agents, amongst other things)</p>	<p>Emissions (GRI 305)</p>
<p>More sustainable logistics: Including optimised route planning, optimal vehicle usage (vehicle utilisation) and modernisation of the company's own vehicle fleet</p>	<p>Energy (GRI 302) Emissions (GRI 305)</p>
Employees	
<p>Occupational health and safety: Including the avoidance of occupational accidents and illnesses (through prevention programmes for physically demanding jobs) and the promotion of good health (including with athletic and relaxation programmes), amongst other things)</p>	<p>Occupational health and safety (GRI 403)</p>
<p>Education and training programmes: Including a wide range of job-entry and educational opportunities, needs-based advanced training programmes (in person and digital), regular performance reviews and feedback, extensive professional growth opportunities</p>	<p>Training and education (GRI 404)</p>
<p>Work and phases of life: Including the provision of a work/life balance / private life (flexible work schedule models like remote work, part-time jobs, flexitime, care-giver leave or family caregiver leave and sabbaticals) and support during reintegration, amongst other things</p>	<p>Employment (GRI 401)</p>
<p>Fair working conditions in the REWE Group's own companies: Including the creation and measurement of employee satisfaction, fair wages and co-determination rights</p>	<p>Employment (GRI 401) Labor/management relations (GRI 402)</p>
<p>Diversity and equal opportunity: Including hiring, remuneration and professional growth opportunities (equal opportunity) for employees irrespective of their gender, origin, disability, religion or ideology, age or sexual</p>	<p>Diversity and equal opportunity (GRI 405) Non-discrimination (GRI 406)</p>

* The topic "digital responsibility" is not an explicit topic covered by the GRI Standards. For this reason, the abbreviation "RG 2" bears no relation to the GRI Standards. Rather, it is an indicator created for the REWE Group's own purposes.

Topics of the materiality analysis	Corresponding GRI topics
identity, sensitisation of employees about anti-discrimination	
Social commitment	
Commitment in the area of nutrition education and exercise: Including support of projects that promote balanced diets and exercise (at kindergartens, amongst other areas)	Indirect economic impacts (GRI 203)
Commitment to biodiversity and environmental protection: Including the promotion of environmental protection projects and the safeguarding of biodiversity	Biodiversity (GRI 304)
Support of underprivileged individuals: Including support of children, adolescents, refugees, the homeless and senior citizens	Local communities (GRI 413)
Company	
Dialogue	General disclosures (GRI 102)
Digitalisation & sustainability: Including the responsible use of digital solutions (through the traceability of products and the creation of additional transparency in the supply chain, amongst other things) and conscientious handling of customer data	Customer privacy (GRI 418) Digital responsibility (RG 2)*
Fair business relationships	Anti-competitive behaviour (GRI 206)
Integrity and compliance	Anti-corruption (GRI 205) Public policy (GRI 415) Socioeconomic compliance (GRI 419) Customer privacy (GRI 418)
Sustainability in company management	General disclosures (GRI 102)
Business performance	Economic performance (GRI 201)

* The topic “digital responsibility” is not an explicit topic covered by the GRI Standards. For this reason, the abbreviation “RG 2” bears no relation to the GRI Standards. Rather, it is an indicator created for the REWE Group’s own purposes.

GRI 102-49:

Changes in reporting

See [defining report content and topic boundaries](#)



GRI 201

Economic Performance

The long-term business success of the REWE Group is based on a cooperative structure that has given life to such company values as solidarity, unity and sustainability. The cooperative philosophy, the management culture that has arisen from it and the related long-term, cross-generational direction of the company create security and stability for all stakeholders, extending from members and employees to customers, suppliers and the entire socio-economic environment. For this reason, the Supervisory Board, shareholders, retailers and the Management Board of the REWE Group consider the long-range cooperative structure to be a guarantee of independence and self-determination.

GRI 201: Economic performance

Management approach

Principles

The REWE Group is determined to generate long-term business success and to conduct its business activities in an environmentally and social conscious manner. This principle is spelled out in the [Guidelines on Sustainable Business Practices](#) that apply to all employees and contract partners of REWE Group. In the guidelines, the company expresses its determination to reduce greenhouse gas emissions generated by business processes, use renewable energy sources and conserve natural resources, among other actions. By developing socially and environmentally acceptable products and services as well as expanding its more sustainable product range, the company is also helping to minimise the negative impacts created by its business operations.

Sustainable finance

In 2021, the REWE Group obtained its first line of credit based on the ESG rating of the ISS ESG rating agency. It comprises a volume of 750 million euros and has an 18-month term. It may also be extended for 12 months. By arranging for this line of credit, the REWE Group has expanded its sustainability strategy to the financial sector – because the line of credit is tied to such sustainability factors as labour standards, climate protection and environmental and socially beneficial products. The REWE Group has received a grade of “C+” from ISS ESG. This corresponds to the prime level. The company’s transparency level has been rated very high. The ESG rating will be reviewed annually throughout the life of the line of credit.

As a way of underscoring its commitment to sustainability in the finance sector, the REWE Group was represented by its Head of Finance on the German government’s Sustainable Finance Board of Advisers during the 19th legislative period. This board is made up of representatives from finance and business, civil society and the scientific community. It advises the German government regarding the development and implementation of its sustainable finance strategy.

GRI 201-1:

Direct economic value generated and distributed

In 2021, REWE Group’s total external revenue increased to 76.5 billion euros. REWE Group’s revenue – excluding independent retailers and companies accounted for at equity – grew by 2.5 per cent from 67.7 billion euros to 69.4 billion euros adjusted for exchange rate effects (for more information, see the [Combined Management Report for business year 2019 starting on page 15](#)).

The easing of coronavirus-related travel restrictions triggered a market recovery in the Travel and Tourism business segment. As a result, revenue rose sharply, climbing from 1.3 billion euros in 2020 to 2.0 billion euros in 2021.

By contrast, the DIY Store business segment experienced an 11.5 per cent drop in revenue. As a result, it was unable to maintain the revenue level it reached during the previous year (increase in revenue in 2020: 19.9 per cent). The decrease was chiefly fuelled by the significant rise in demand for DIY and garden products as a result of coronavirus restrictions. The coronavirus-related “lockdown” had a negative impact on revenue because DIY stores were closed for a period of time at the beginning of 2021 and were subject to tremendous restrictions on operations.

Revenue performance

in million €	2021	2020	Change absolute	Change in per cent
Trade Germany	35,030.2	34,737.5	292.7	0.8
Trade International	15,653.0	15,299.1	353.9	2.3
Convenience	13,659.9	13,083.8	576.1	4.4
DIY Stores	2,352.2	2,656.3	-304.1	-11.5
Travel and Tourism	2,041.8	1,296.2	745.6	57.5
Other	618.8	578.4	40.4	7.0
Total	69,355.9	67,651.3	1,704.6	2.5

Key earnings figures

in million €	2021	2020	Change absolute	Change in per cent
Revenue	69,355.9	68,229.3	1,704.6	2.5
Cost of materials including changes in inventory	-54,083.2	-52,850.6	-1,650.5	3.1
Gross profit	15,272.7	15,378.7	54.1	0.4
Gross profit ratio	22.0 %	22.5 %		
EBITDA	4,388.1	4,368.2	79.7	1.8
Depreciation/amortisation and impairments (excluding goodwill)	-2,899.6	-3,145.7	184.3	6.0
EBITA	1,488.5	1,222.5	264.0	21.6
For information only: internal EBITA	1,052.3	1,012.7	39.6	3.9
Goodwill impairments	0.0	-2.6	2.6	100.0
EBIT	1,488.5	1,219.9	266.6	21.8
Financial result	-385.3	-493.1	101.9	20.9
EBT	1,103.2	726.8	368.5	50.2
Taxes on income	-310.6	-281.3	-30.4	-10.8
Results from continuing operations	792.6	445.5	338.1	74.4

Results from discontinued operations	-37.0	-30.2	2.2	5.6
EAT/net income	755.6	415.3	340.3	81.9

GRI 201-3:

Defined benefit plan obligations and other retirement plans

REWE Group pension fund

As a result of demographic change, retirement planning is becoming increasingly important. The REWE Group understands this need. Through its REWE Group Pension Fund, it provides employees with a company pension scheme that is designed especially with the needs of retail workers in mind.

In addition to providing funds to pensioners, the REWE Group Pension Fund pays benefits in cases of invalidity and death. Membership in the fund may be continued if an employee leaves the company. The REWE Group assumes liability for the funds paid into the system and supports employees by making a fixed payment of up to 300 euros each year into the fund for them. The company provides a supplement of up to 15 per cent to employees' own contributions. REWE International AG offers a similar programme in Austria.

REWE Group voluntary pension benefits

The benefits of the German government's basic pension scheme are limited to the so-called pension contribution assessment ceiling. The need to have a supplementary retirement plan is particularly high for employees with incomes that exceed this ceiling because the difference between their final salary and the highest basic pension entitlement can be very high. To address the needs of this target group, the REWE Group offers its own retirement plan model called REWE Group Voluntary Pension Benefits. The key benefit is the option that enables employees to make tax-free contributions through deferred payments. Starting on 01/01/2022, employees who earn an income below the pension contribution assessment ceiling are eligible to participate in the REWE Group Voluntary Pension Benefits. The requirement for participation is that an employee has already made the maximum tax-free and social-insurance-free contribution to the REWE Group Pension Fund and wants to make even more tax-free and social-insurance-free contributions into the company pension scheme. Some retirement schemes are also offered outside Germany because national social-insurance and tax laws set the conditions for company pension plans.

Historic retirement planning models

In addition to the retirement planning models described above, the contribution- and benefit-oriented commitments of employees from companies acquired in the past are being continued. They are also included in pension liabilities in the Annual Report.

In 2021, the fair value of the defined benefit obligation (DBO) totalled 1,240.2 million euros (in addition to 235.6 million euros for pension-like obligations; 2020: 1,270.5 million euros and 261.5 million euros). More information can

be found in the Group Management Report for business year 2021 starting on page 136.

Other benefits

Other employee benefits involve voluntary special payments that exceed requirements of collective bargaining agreements and voluntary social benefits like survivor benefits and retirement allowances. The volume of these benefits is found in pension-like obligations.

Voluntary special payments that exceed requirements of collective bargaining agreements by sales line, in euros

Sales line	Year	Euro
Trade Germany	2019	62,693,400
	2020	65,196,148
	2021	73,636,246
Trade International (Austria)¹	2019	-
	2020	-
	2021	-
Convenience	2019	106,477
	2020	214,620
	2021	705,038
Travel and Tourism	2019	234,000
	2020	212,000
	2021	198,000
DIY Stores	2019	2,758,171
	2020	2,758,635
	2021	2,895,940
Other	2019	7,781,263
	2020	8,245,782
	2021	8,644,030
Total (scope of the Sustainability Report)	2019	73,573,310
	2020	76,627,185
	2021	86,079,254

¹ Holiday pay and the Christmas bonus (known as remuneration for the 13th and 14th months of the year) are covered by collective bargaining agreements in Austria. They do not constitute add-ons as a result.

Company retirement scheme by sales line, in euros

Sales line	Year	Share of participants in the company retirement scheme (of all eligible employees) in %	Contributions to the company retirement scheme (employee + employer) in euros
Trade Germany	2019	18.5	44,178,609
	2020	17.2	42,298,170
	2021	17.2	46,711,792
Trade International (Austria)¹	2019	5.3	661,800
	2020	5.2	655,800
	2021	5.5	677,100
Convenience	2019	9.5	137,747
	2020	35.8	1,885,645
	2021	35.2	2,553,569
Travel and Tourism	2019	58.2	5,182,000
	2020	63.7	4,615,000
	2021	66.7	4,364,000
DIY Stores	2019	23.9	4,250,087
	2020	20.6	4,262,740
	2021	20.6	4,898,343
Other	2019	38.5	7,184,973
	2020	36.0	6,671,908
	2021	40.8	7,433,568
Total (scope of the Sustainability Report)	2019	17.6	61,595,216
	2020	16.7	60,389,263
	2021	16.8	66,638,371

¹ Austria has had a company retirement scheme for employees since September 2010. The company pension for managers in Austria is not included in the table.

GRI 102-48: Since financial year 2020, other investment forms of company retirement planning (direct insurance and support fund) have been considered in addition to the pension fund and voluntary pension benefits. Data has been adjusted retroactively and no longer agrees with the data used in the Sustainability Report 2019 as a result.



GRI 207

Tax

As an international combine, the REWE Group assumes a special responsibility for its business operations. The company believes that compliance with tax laws is a fundamental characteristic of the common good, free societies and free markets.

GRI 207-1: Approach to tax

GRI 207-2: Tax governance, control, and risk management

GRI 207-3: Stakeholder engagement and management of concerns related to tax

Management approach

Responsibility

The responsibility for the management and control of tax positions as well as for group-wide compliance with legal regulations and internal policies is largely assigned to the Management Board of the REWE Group. The Board has contracted the tax-consulting firm Pro-Data GmbH Steuerberatungsgesellschaft to ensure that the REWE Group complies with all tax-related requirements. The Head of combine Taxes regularly informs the Chief Financial Officer (CFO) of the REWE Group about all key tax issues and their impact on the combine's financial figures.

Principles

The CFO of the REWE Group and Pro-Data GmbH Steuerberatungsgesellschaft have issued the Guideline on Tax Compliance, a document that categorically applies to all German companies in the REWE Group. A second guideline containing similar requirements applies fundamentally to all companies based outside Germany.

Drawing on the conservative tax strategy that the Management Board of REWE-ZENTRALFINANZ eG developed together with the management team of Pro-Data GmbH Steuerberatungsgesellschaft, the REWE Group is working to develop a simple, tax-efficient structure that will facilitate business operations in all countries. The company employs a strategy under which it is committed to completely fulfilling its tax obligations, operating within the legal framework and refraining from the use of aggressive tax models. In particular, the REWE Group has set the goal of paying taxes on its profits in those countries where these particular business operations are conducted and observes local tax laws in the process. The REWE Group rejects the practise of artificially transferring profits to tax havens or other low-tax

countries – through the use of such dodges as transfer-pricing models.

Objective

The aim of the REWE Group is to keep the amount of value added tax neutral and to reduce the tax that applies to the company's profits to the legal minimum. The REWE Group is also committed to submitting a flawless tax return by the required deadline. The group of companies strives to work with tax authorities in a constructive and trusting manner and communicate openly and transparently with them.

Implementation

To ensure compliance with legal requirements and to minimise the risk of tax law violations or to recognise them at an early stage, the REWE Group has implemented a system that is designed to facilitate regulation conformity of the tax compliance management system (TCMS). The TCMS is reviewed by an external auditor. The auditor has confirmed the adequacy and effectiveness of the TCMS.

The Tax Compliance Officer (TCO) oversees the implementation, monitoring and refinement of the TCMS. The monitoring system includes audits by auditing firms and Internal Auditing, the audit by tax authorities and the reports of the tax officers and other employees of the REWE Group. The TCO analyses the reports and implements appropriate measures when required – with the aim of eliminating the sources of errors in future or correcting errors. The TCO can also ask that those in charge of the work monitor implementation.



GRI 415

Collaboration with Political Leaders

As part of its commitment to future-focused economic, nutrition and environmental policies, the REWE Group conducts a multilevel dialogue with political leaders and fosters open discourse. At the same time, the company with a workforce of 384,000 people assumes a major responsibility that arises from its role as a food supplier of the general population. The REWE Group exercises this responsibility through this dialogue.

GRI 415: Public policy

Management approach

Implementation

The REWE Group maintains offices in Berlin and Brussels that act as platforms for dialogue and debate with stakeholder groups that are relevant to trade, tourism and the REWE Group. The company draws anyone who shares its values and principles into this dialogue. The combine's headquarters in Cologne and Wiener Neudorf are actively engaged in these discussions with political stakeholders in the large number of countries where the REWE Group does business.

The title of the agreement that Germany's new three-party coalition government signed at the end of 2021 sums up the political leaders' aims: "Dare More Progress – Alliance for Freedom, Justice and Sustainability". The coalition agreement contains farsighted proposals that impact all business areas and activities of the REWE Group – from the dramatic acceleration of efforts to expand the use of renewable energies to the transition to species-appropriate animal-husbandry practises and the aim of increasing the share of land used for organic farming to 30 percent by 2030. The REWE Group has been intensively focusing on these issues for years now, and the company shares its practical experience with political stakeholders during these discussions. The company takes the same approach to the wide range of areas addressed in the EU Green Deal, a plan that is designed to make the EU's economy more sustainable and turn climate and environmental issues into opportunities. The REWE Group welcomes the EU Commission's push to create a coherent framework that will guide efforts in the next few years to achieve climate neutrality across Europe and to uncouple economic growth from use of resources.

During the reporting period, a number of background meetings and events were held. Invitations to these meetings were extended to many policy makers from a range of parties. Many of these meetings were held digitally as a result of the coronavirus pandemic. The issues discussed here included regional value chains, the future of agriculture and living incomes in the cocoa sector. Representatives of the REWE Group also conducted direct conversations with political leaders and representatives of government authorities for the purpose of sensitising them about relevant issues and outlining the company's interests. Furthermore, representatives of the REWE Group served as speakers, guests or discussion partners at events hosted by government authorities, political parties and trade associations. These events focused on political and social issues that are relevant to the company. The trade and tourism company has clear reasons for doing such public-affairs work: The REWE Group would be affected by legislation covering the introduction of a due diligence law or a ban on the culling of male chicks. During the reporting period, the public-affairs work focused on the impact of the coronavirus pandemic on the REWE Group's business units.

Donations made to political parties or political organisations, office holders, government authorities, churches and other religious groups must be approved by the Management Board member responsible for the respective area and the Chief Compliance Officer of the REWE Group. Every donation must comply with legal regulations and regulatory guidelines at the REWE Group, including the Code of Conduct.

Since 2014, the REWE Group has reported on its activities and annual spending on political dialogue at European level in the European Union's Transparency Register.

GRI 415-1:

Political contributions

The REWE Group conducted no political party sponsoring during the reporting period. No information about retailers was available. In 2016, the REWE Group became a member of the business-focused organisations of the Social Democrats and Christian Democrats in Germany: the *Wirtschaftsforum der SPD e. V.* and the *Wirtschaftsrat der CDU e. V.* It is also a member of similar group organised by Alliance 90/The Greens: *Grünen Wirtschaftsdialog e. V.* The three memberships cost the company a total of about 56,000 euros annually. The REWE Group has also been a member of the Business Advisory Board of the Greens' parliamentary group in Berlin since 2018.



GRI 418

Data Protection

Technological developments are creating more and more data collection and data processing possibilities. This development increases the importance of and the requirements for reliable data protection. The EU General Data Protection Regulation (GDPR) that took effect in 2018 created a new framework governing the processing of personal data. As an international company, the REWE Group processes personal data as part of its daily operations. Protecting this data is the company's highest priority.

GRI 418: Customer privacy

Management approach

Principles

The companies of the REWE Group confidentially handle personal data as a matter of course. The REWE Group protects this data in accordance with legal requirements. The company has made this practice a high priority – particularly in light of the growing online business being that is being conducted by its sales brands.

Implementation

Every data protection question sent to the companies of the REWE Group by customers or supervisory authorities is documented, reviewed and processed by the data protection organisation. Internal and external data protection officers ensure that the handling of personal data and the processing programmes used in this work comply with laws. They also assist work to refine company-specific data protection and data storage measures and advise organisational units and specialist departments. Data protection coordinators throughout the combine assist and support them. The data protection officers report directly to the top management level of the companies or to the REWE Group's central data protection management team. In turn, these managers report to the Management Board and Supervisory Board of the REWE Group. The REWE Group had 25 data protection officers in 2021.

The central data protection management organisation assumes responsibility for combine-wide governance on data protection, the leadership of the REWE Group Data Protection Board and the consolidation of reporting and controls. In addition, it is responsible for promoting synergies between the activities of the data protection coordinators and data protection officers and for providing information campaigns and training programmes for the REWE Group.

The REWE Group's Data Protection Board ensures that the implementation requirements for court rulings on data protection during the year that are relevant to the Group are clarified and provided to controllers via the data-protection organisation.

Commitment to data protection

The Group Management Board of the REWE Group made the following commitment to data protection in 2018: "The objective of the REWE Group as a group of trade and tourism companies is to provide a comprehensive range of products and exceptional services to its customers. In this process, the extensive amount of data available to the company must be viewed as an opportunity and be used in a way that designs the range of services to meet customer needs and that makes processes more efficient as part of digitalisation. In using this customer data as well as the data of employees and business partners, the REWE Group understands the imperative need to observe legal regulations governing the processing of personal data. The company must take this approach to safeguard and bolster existing trust and thus secure the long-term success of the REWE Group."

During the reporting period, the reporting system for audit plans and reports was optimised along with the existing combine-wide reporting system on data protection. The activity reports of the data protection officers were improved as well. The improvements helped to increase the transparency about relevant areas of action for all key participants. In addition, the experience gained in the implementation of the EU GDPR and court rulings on various data protection issues during the year were evaluated. The results flowed into the optimisation of data-protection-relevant documentations and processes. Target-group-focused training courses offered as in-person classes or digital programmes – due to the Covid-19 pandemic – were expanded further.

During the financial year, new legal questions related to data protection arising from the coronavirus pandemic were addressed. Necessary measures were then developed and implemented. The data protection officers advised the respective specialist departments at the REWE Group and reviewed the permissibility or the impermissibility of measures – for instance, regarding the legally mandated recording of verification of compliance with a German pandemic-related regulation. Under this requirement, an individual had to have been vaccinated, recovered from a Covid-19 infection or tested for the coronavirus before he or she would be admitted to closed areas like shops. The basis of the decisions included guidelines issued by data protection supervisory authorities regarding the handling of personal data, including employee health data by employers. The REWE Group also provided its employees with in-depth information about the Covid-19 pandemic and data protection on a portal.

GRI 418-1:

Substantiated complaints concerning breaches of customer privacy and losses of customer data

In 2021, the rights of data subjects for the customers of the REWE Group were successfully clarified and completed on time.

All complaints and reports about potential data protection infringements or violations (2021: 277 incidents; 2020: 189 incidents) were reviewed, processed and documented. Data protection supervisory authorities were involved in 28 cases. These cases addressed either internally determined and reportable data protection violations or issues that supervisory authorities reported to the REWE Group. The underlying facts were analysed, technical or organisational measures were changed where necessary and the complaining party – either a data subject or supervisory authority – was notified about the findings and potential measures to be taken as a result.



RG 2

Digital Responsibility

Digitalisation is a driving force behind fundamental changes in politics, science, business and society. The transformation being fuelled by modern information technology and digital solutions is also sweeping through the trade and travel industries: Food is increasingly ordered via digital channels, and trips are being booked online. As a pioneer in the digital trade of food and nutritional, kitchen and household products, the REWE Group is well aware of the responsibility it has assumed for its customers, employees and suppliers. It fully comprehends the tremendous opportunities offered by digitalisation, but also understands that the potential risks associated with it must be considered as well.

Background

The REWE Group can optimise its business operations and make well-grounded decisions by using data-based information. Such data can be responsibly used to develop needs-based offers to customers and efficiently structure processes. In terms of sustainability, the responsible provision of digital products and services can also provide added value. For instance, the use of data-based analytical tools conserves resources by facilitating needs-driven planning of inventories and their delivery. Technologies can also be used to make supply chains more transparent.

By intensely reflecting on its digital responsibility, the REWE Group will be better equipped to counteract the impact of digitalisation in such areas as the loss of privacy or possible discrimination by algorithms.

Approach

Principles

The REWE Group assumes responsibility for its customers, employees and suppliers. In today's era of digital change, it simply makes sense for the trade company to assume this responsibility in digital space as well.

The REWE Group views corporate digital responsibility (CDR) as an obligation to support digitalisation and foster digital skills. In addition, data traffic should be open – in compliance with relevant laws and the data ethics that apply to all combine activities. The REWE Group always places human beings at the heart of digitalisation. For this reason, the group of companies views the conscientious handling of data as an indispensable part of its work. It focuses in

particular on the ethical use of data and data protection. The REWE Group also views CDR as the interaction of the responsible use of various technologies.

Implementation

The REWE Group believes that it is obligated to responsibly help to shape digitalisation. This is why employees from various parts of the company conduct a regular and intense dialogue about the issue. The REWE Group encourages this dialogue throughout the combine. The REWE Group also works actively in company-wide committees and trade associations to integrate digital responsibility into the company and encourage discussions about best practises that extend beyond the horizons of the company and sector. In addition, the REWE Group conducts a dialogue about digital responsibility with political leaders as part of its public affairs activities.

As a result of the coronavirus pandemic, a large number of the REWE Group's employees have been working remotely since March 2020. During this period, the REWE Group has increasingly given thought to ways that remote working could be even more widely used and integrated into the company's administrative locations. The project REWE DNA – Deine neue Arbeitswelt (REWE DNA – Your New Work World" was created for this purpose. The company's reasons for launching this project were quite clear: Remote working can be used outside the context of the pandemic to create better work/life balances for employees. This form of work also facilitates collaboration among different company locations. Key issues addressed here include data protection and the teaching of digital skills.

Artificial intelligence: Manifest of the REWE Group

The development of products and services based on artificial intelligence (AI) has tremendous potential and offers added value to the customers and business partners of the REWE Group – including in terms of trade and tourism. As a framework, it needs to be covered by future-focused and reliable guidelines and criteria – starting at the time of development and programming of AI-based systems. The REWE Group is increasingly engaged with AI-supported applications and processes. With such work in mind, the company issued its [AI Manifesto](#) in 2020. The manifesto contains clear and specific recommendations that must be considered in the development of AI applications. The manifesto creates an awareness for potential risks and dangers related to the use of AI technologies. In this regard, it is designed to help to facilitate the development of sustainable and responsible systems.

Checkout-free shopping at REWE Pick&Go

One example of the way that the new technologies are being responsibly used in terms of CDR at the REWE Group is the REWE Pick&Go store that opened in Cologne in October 2021. REWE is the first company in the German food retail sector to make use of hybrid shopping: Customers may pay, as they always have, at the till or use a digital system – that is they bypass the cash register and the wait that is frequently associated with it. At Pick&Go, purchases are registered in a secure, data-restrictive manner with the help of camera and sensor technology. They are billed after they leave the store. To take advantage of the services, customers must use the Pick&Go app.

Customers store their money here and scan the associated QR code at the entrance to the market. The app uses computer vision technology that is fed data from cameras installed in the ceiling and weight sensors on the shelves. Data protection was and is a key consideration used in the development and operation of the system: The images recorded of customers are processed in a data-restrictive manner and are used exclusively to facilitate checkout-free purchases. No facial recognition system is used, and the system cannot identify customers after they leave the store. All of these questions were addressed during the conception phase of the system in a reflection of the digital responsibility assumed by the REWE Group and its technology partners. Data protection authorities were also consulted at an early stage – beyond legal notification requirements.

To create additional supply-chain transparency, SELEGGT GmbH, a joint venture of the REWE Group, the HatchTech Group and the University of Leipzig, are using a blockchain-based process to monitor the supply chain for eggs. Customers can also use a QR code to track the supply chain all the back way to the farm for REWE's store-brand bananas and REWE Beste Wahl (Best Choice) pineapples as well as PENNY's Fairtrade-Biohelden (Organic Heroes) bananas and pineapples (for more information, see the section [Raw Materials – Food](#)). To help consumers to make conscious food choices, the REWE Group requires REWE and PENNY to use the nutritional information label Nutri-Score on their store brands. Because the transition has not been completed yet for all products, customers can use the REWE app to scan the products and receive the same nutritional information (for more information, see the section [Nutrition](#)).



Strategic Approach Green Products

The concept of sustainability has filtered into mainstream society. It is reflected in both dietary and consumption behaviour as well as in the selection of holiday destinations: Recent surveys show that almost one in four buys organic products frequently or exclusively (German Ministry of Food and Agriculture, Environmental Barometer 2020), whilst one in three today already takes sustainability aspects into consideration when travelling (Bavarian Centre for Tourism - BZT, Travel Analysis 2021). In other words, an increasing number of people are interested in the social and environmental impact of their actions. However, the following still applies: Sustainability is never the only decision criterion. Quality and price are just as important. At the same time, consumers associate various facets with the term sustainability. For some people it is about protecting the climate or resources, whilst others attach importance to social conditions or animal welfare.

The REWE Group wants to take these needs into account and also get more and more people enthusiastic about more sustainable products and services. While doing so, the REWE Group seeks to make sustainability part of its business strategy, contributing to economic success and forming an important driver of growth.

Background

The sales lines of the REWE Group distribute both private label products and products of third-party brands. The commercial company holds regular discussions with brand producers and promotes exchanges with experts about sustainability, within the framework of industry initiatives, for example, or in joint projects. This dialogue and cooperation are important to promote the subject of sustainability. But the REWE Group has a lot of influence with its private label products and, consequently, a particular responsibility. This is why this aspect is the focus of its sustainability commitment.

Strategic approach

Principles

As a leading international trade and tourism company, the REWE Group is keenly aware of the special role it plays as an interface among producers, suppliers and consumers. The production of REWE Group private label products has impacts on humans, animals and the environment. Customers of the REWE Group assume – and should be able to trust – that the commercial company is aware of its responsibility in the supply chains of its private labels and will deal with the impacts.

The Group is working on offering a larger number of more sustainable product ranges. In the area of food, this includes organic and regional private label products and products for which the REWE Group has achieved improvements in the supply chain. Since 2010, REWE, PENNY and toom Baumarkt DIY stores have been identifying products that are socially and environmentally sustainable and/or that fulfil high animal welfare standards with the PRO PLANET label. The REWE Group wants to encourage sustainable consumption among a broad group of consumers. The 10-year anniversary in 2020 was taken as an occasion to redesign the PRO PLANET label and the awarding process (for more information, see [PRO PLANET](#)). In tourism too, an increasing number of more sustainable offers are now available. In 2021, for example, DER Touristik published its first catalogue in magazine form called “Bewusst Reisen” (“Conscious Travel”). It reveals which hotels have sustainability certification and provides information about the travel destinations and the sustainability commitment of hotels (for more information, see [Promoting Sustainable Consumption](#)).

In order to meet the complex needs of consumers and permanently integrate sustainability into procurement processes, the REWE Group developed the Green Products Strategy 2030 in 2017, which is based on the core elements of the OECD-FAO Guidance for Responsible Agricultural Supply Chains. It covers the supply chains of its private labels which are sold at REWE, PENNY and toom Baumarkt DIY stores in Germany. The strategy defines the framework to identify and assess the impact of private label products on people, animals and the environment and to take effective measures. The strategy is embedded in the overarching sustainability strategy of the REWE Group and summarises the strategic focus and the operational implementation of sustainability into the pillar Green Products. Its mission – “We act responsibly towards people, animals and the environment” – forms the umbrella of the strategy, on which specific measures are based.

Responsibility

In the 2021 reporting period, the pillar Green Products for the food retail sector in Germany was overseen by Marcel Weber (private label products – national and international). The Sustainable Products area managed by Dirk Heim together with Purchasing and Category Management are responsible for implementing the measures and achieving the goals set in the Green Products 2030 strategy.

Together with Purchasing and Category Management, the identified aspects and focus issues in each area of action are prioritised for each product area within the clearly defined strategy and budget process and backed up with specific measures. Clear goals and responsibilities are also coordinated here. Through the annual strategy and budget process, a regular review of the strategy and measures developed is firmly established. This enables the REWE Group to ensure that any current issues arising from changed general conditions are addressed.

Strategy process

The basis for strategy development was a comprehensive analysis of the sustainability risks and impacts of the REWE Group in the supply chains of private label products. Further important components were the surveying of stakeholders and customers (see [Materiality Analysis](#)) as well as political and scientific analyses and objectives (see [Sustainable Development Goals](#)). With the aid of a risk and opportunity analysis, environmental, social and business data is evaluated to assess the social and environmental impact of the products and to identify the greatest impacts on sustainability (for more information, see [Product-Related Risk Analyses](#)). Building upon this, the impacts that private label products have on humans, animals and the environment were shown quantified in monetary terms.

Amongst other things, the analysis showed that raw material production and the processing of products, in particular, are highly relevant with regard to sustainability criteria. A holistic view of the supply chain is an important element of the sustainability strategy. It is increasingly becoming an integral part of purchasing processes and requires a close exchange with direct and indirect suppliers. The analysis resulted in 25 aspects which the REWE Group has summarised for the operationalisation of the strategy in the following areas of action:

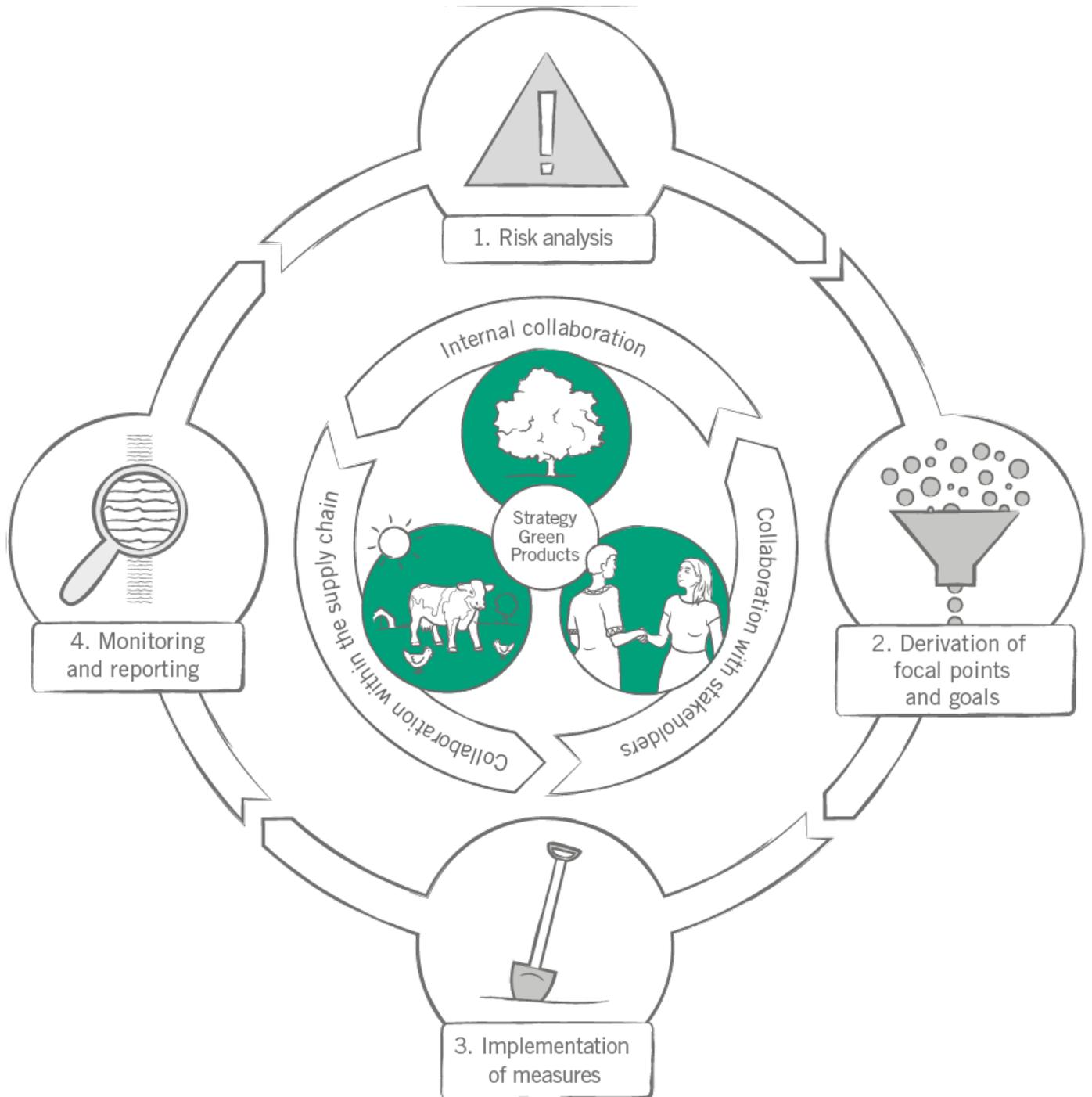
- [People](#)
- [Animals](#)
- [Environment](#)

Furthermore, the REWE Group – with its REWE and PENNY sales lines as competent and reliable partners for a balanced diet – has defined a fourth area of action in the pillar Green Products. This is addressed within a number of different projects:

- [Nutrition](#)

Implementation

The strategy is implemented by means of a comprehensive management approach that defines the principles and tools required to carry out the measures:



1. Risk analyses:

The REWE Group continuously evaluates opportunities and risks in the area of sustainability. On the one hand, these analyses are based on external analyses of product areas, specific products and raw material supply chains. On the other hand, assessments and the experience of external NGO expert committees for sustainability and other stakeholders, such as producers, suppliers and employees are included.

2. Derivation of focal points and goals:

Based on the risk analyses, focus raw materials, focus issues, goals and measures were defined, which are adapted and scrutinised when new results or findings are available.

3. Definition and implementation of measures:

Measures to reach goals and process the focus raw materials and focus issues were implemented on three different levels of cooperation:

3.1 Internal cooperation

Through internal training courses and awareness-raising measures, continuous analysis of opportunities and risks and by formulating strategies and goals, the REWE Group integrates sustainable procurement in the purchasing process. The aim is to consider sustainability aspects in supplier and/or product decisions.

3.2 Cooperation within the supply chain

In its cooperation with the companies involved in the supply chain the REWE Group takes a three-step approach, which includes formulating requirements, monitoring and developing the companies. Business partners in the private label supply chains of the REWE Group are obliged to name the production sites in which products for the REWE Group are produced. By raising awareness and obligating the business partners it is possible to create specific rules to implement sustainability in the entire supply chain.

Training helps suppliers and producers implement the requirements of the REWE Group and ensures continuous improvement. In various projects the REWE Group works directly with raw material producers to overcome the challenges. Efforts are also made to integrate transparency and sustainability into the supplier evaluation process. Another important element in the supply chain work is developing effective complaint mechanisms.

3.3 Cooperation with stakeholders

Sustainability in the supply chain can work in the long term only through collaboration with all relevant stakeholders. The REWE Group encourages continuous dialogue with a large number of stakeholders and is involved in various national and international initiatives, alliances and forums.

Important elements include participation in external events, industry initiatives, partnerships, a commitment to continue developing sustainability standards and monitoring relevant developments on political and regulatory levels.

4. Monitoring and reporting:

The activities are reviewed and evaluated. The results of this monitoring work are then incorporated into refining the measures.

Focus issues, goals and KPIs

The following focus issues were identified within the four areas of action (people, animals, the environment and nutrition), for which specific measures are being taken. They show which aspects within the areas of action have especially high risks and opportunities for the REWE Group and must therefore be handled specifically. For this purpose, goals and KPIs have also been defined and approved for the private labels within the areas of action. The

status of goal achievement is checked using the defined KPIs and published in the sustainability report.

People: Living wages and income, forced labour and child labour as well as women in the supply chain

In a globalised world with complex trade relations and a large economic gap between developing and industrialised nations, there is an unequal balance of power. This can lead to societal ills such as forced labour, child labour and poverty-level incomes. Discrimination against women also poses a challenge in global supply chains. The REWE Group is focused on fair working conditions and the protection of human rights in the supply chain.

REWE Group activities relating to ethical business practices are aimed at furthering human rights and improving working conditions in supply chains.

Goal	Status	Measures
Complete integration into a training programme (capacity building) for strategically relevant production sites in the case of the private labels of REWE and PENNY Germany as well as toom by the end of 2030	🔄	See Social Aspects in the Supply Chain
Improvement of access to complaint mechanisms in relevant supply chains in the case of the private labels of REWE and PENNY in Germany as well as toom by the end of 2025	🔄	

🔄 In progress ✓ Goal attained ✗ Goal not attained

Animals: Husbandry conditions

Conventional intensive animal husbandry in Germany often focuses on the maximum output of the animals. The promotion of rapid growth and weight gain as well as the maximisation of animal density in stall spaces can lead to, amongst other things, stress and altered social behaviour with increased aggressiveness. The animals are also prone to more diseases. For the REWE Group, the respectful treatment of animals in the production of goods of animal origin is fundamental. The company wants to implement greater animal welfare in the supply chains of private labels of animal origin. In this way, a lack of usability or long transport routes should be eliminated and husbandry conditions should be adapted to the needs of the animals – through more space and run-out areas, more activities or through fewer interventions on the animal.

With its measures in the area of animals, the REWE Group is pursuing its ambition of implementing animal welfare in the supply chains of private labels of animal origin.

Goal	Status	Measures
Integration of greater animal welfare in animal supply chains by 2030	🔄	See Animal Welfare

🔄 In progress ✓ Goal attained ✗ Goal not attained

Environment: Circular economy, climate and biodiversity

The use of natural resources and the competition for scarce resources such as fresh water, land and raw materials are increasing worldwide. At the same time, this is exacerbating global environmental problems such as climate change, soil degradation and loss of biodiversity. The supply chain of the REWE Group causes environmental effects during the production of products. The commercial company assumes its responsibility and uses various measures to promote the careful use of natural resources along its supply chain. Through these actions, the aim is to sustainably reduce the impact on biodiversity, climate, air, water and soil as well as the impacts of plastic and packaging.

The REWE Group implements measures for the conservation of resources in its supply chains in an effort to protect natural resources and preserve biodiversity.

Goal	Status	Measures
Complete integration of relevant food and non-food producers into an environmental programme in the case of the private labels of REWE and PENNY in Germany as well as toom by the end of 2030	↻	See Environmental Aspects in the Supply Chain
100% more environmentally friendly private label packaging by the end of 2030 ¹	↻	See Packaging
Reduction of absolute greenhouse gas emissions by 15% in the supply chains of private label products at REWE and PENNY in Germany by the end of 2030 (compared with 2019)	↻	See Climate Protection in the Supply Chain

↻ In progress ✓ Goal attained ✗ Goal not attained

¹ This goal applies to the REWE Group in Germany (REWE, PENNY, toom Baumarkt DIY stores) and, since 2019, also for the international sales lines (BILLA, BILLA PLUS, PENNY and ADEG).

Nutrition: Varied and healthy diet

The REWE Group is focused on promoting a varied, balanced diet. In addition to its educational campaign on healthy nutrition and exercise, the adaptation of the product range as well as transparent information about the nutritional values of products play significant roles. Following the publication of the [strategy paper Sugar, Salt](#), REWE and PENNY checked and optimised the entire private label range with regard to sugar and salt content between 2018 and 2020. The content was gradually reduced so that customers could slowly get used to the new taste. Alternative sweeteners were not used as a replacement. The plan is to continue optimising private label recipes in the future with regard to their sugar and/or salt content. Since 2020, this has been taking place as part of the introduction of the Nutri-Score – the additional nutritional information labelling. This is designed to help consumers make conscious food choices. For information about the Nutri-Score, see [Nutrition](#).

With the “ErnährWert” value, REWE is offering consumers additional guidance for a balance diet. This is shown in many of the online recipes in REWE Deine Küche (REWE Your Kitchen) and provides information about the nutrients contained and the balance of the dish. In addition, the nutrition encyclopaedia in REWE Deine Küche offers information about ingredients and additives, fats and oils, seasonal and conscious nutrition, food intolerances and the Nutri-Score.

With its measures in the area of nutrition, the REWE Group encourages people to have a varied and balanced diet.

Goal	Status	Measures
Increase in Nutri-Score labelling for relevant* private label products at REWE and PENNY in Germany to 80% by mid-2022 and 100% by mid-2023		See Nutrition

↻ In progress ✓ Goal attained ✗ Goal not attained

* Not relevant are mono-products, such as rice, potatoes and flour and products that do not have added sugar or salt, such as mineral water, cooking oil or vinegar.

Reporting

The following sections of the GRI Report contain all measures, data and topics related to the pillar Green Products:

- [Biodiversity](#)
- [Organic](#)
- [Living Wages and Income](#)
- [Raw Materials in Focus – Food](#)
- [Raw Materials in Focus – Non-food](#)
- [Women in the Supply Chain](#)
- [Nutrition](#)
- [Child Labour and Forced Labour](#)
- [Climate Protection in the Supply Chain](#)
- [Customer Health and Product Safety](#)
- [Promoting Sustainable Consumption](#)
- [Environmental Aspects in the Supply Chain](#)
- [PRO PLANET](#)
- [Product-related Risk Analyses](#)
- [Regionality](#)
- [Social Aspects in the Supply Chain](#)

- Animal Welfare
- Packaging
- Circular Economy
- Water



GRI 102-11

Product-related Risk Analyses

The REWE Group strives to reduce the environmental and social impacts of its business operations wherever possible. In order to implement this, the REWE Group conducts analyses to assess social and environmental risks: at the product group or raw material level in order to formulate strategies and at the level of individual products, topics or countries in order to specify measures. Within this framework, the REWE Group continuously checks its own performance and progress with a view to minimising risks. When different goals come into conflict with one another, the company calls on experts from its own ranks and from external stakeholder groups.

GRI 102-11: Precautionary principle or approach

Analysis of the social and environmental risks in the supply chains

The risk analyses of the REWE Group are used to identify and assess the impacts of its business activities on people, animals and the environment. The aim is to identify the significant negative environmental and social impacts of private label products and clarify where these occur. The analysis is used to help decide which measures should be taken and with which priority – with the aim of minimising any risks identified and using opportunities. Therefore, it forms the basis for strategic focus in the area of more sustainable product ranges and for developing the strategy Green Products 2030 in which topics, key performance indicators (KPIs), goals and measures are defined.

Product-related risk analyses: trade

The REWE Group in Germany has conducted a formalised risk analysis for food and non-food products for the supply chains of private label products sold at REWE and PENNY in Germany. For this purpose, the product range of food and non-food products was divided into a total of 37 product clusters. The approach thus takes the total product range into consideration.

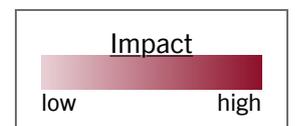
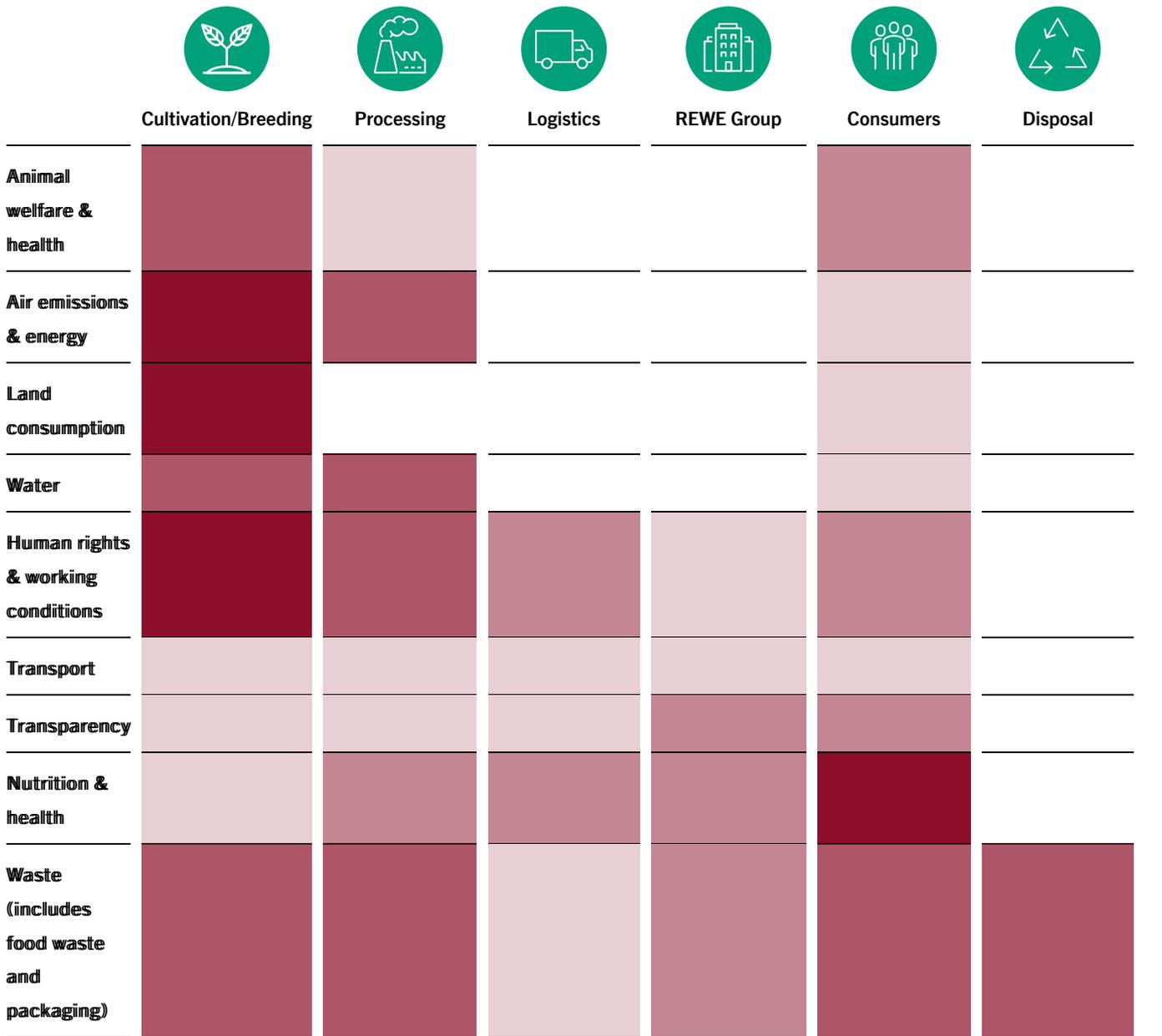
The procedure is divided into two strands: a qualitative analysis and a quantitative analysis. As part of the qualitative investigation, studies and reports were evaluated and interviews conducted with purchasers and NGOs in order to identify significant sustainability issues along the value chains. In addition to the environmental impacts, risks in the

area of working conditions and human rights were also particularly identified as part of this process.

The quantitative input-output analysis is based on an economic model. For this purpose, the environmental impacts in the supply chain, such as greenhouse gas emissions, for example, were determined and converted into monetary amounts. The social impacts were assessed by identifying how many people per product cluster are active in the total supply chain. This data was linked to the purchasing volume of the company as well as to information about the countries of production or origin in order to assess environmental and social risks specifically from a monetary standpoint. This made it possible to quantify the external costs of the company's economic activity for the individual product clusters. This also enabled the environmental and social hot spots to be identified along the entire value chain based on facts and particularly high-risk product groups and focus raw materials to be determined.

The analysis made it possible to determine that the main impacts are in the supply chain links of raw materials production and processing. Therefore, these areas are the focus of REWE Group activities.

Impacts along the value chain



In addition, the following critical raw materials were identified:

- fruit and vegetables in general, bananas and pineapples in particular,
- meat and dairy products, including animal feed,
- coffee, cocoa, tea, palm oil, fish, orange juice, as well as
- cotton, textiles and natural stones (for more information, see [Raw Materials in Focus – Food](#) and [Raw Materials in Focus – Non-Food](#)).

Scorecards summarise the results of the analysis for each individual product cluster. They provide an overview of the social and environmental costs of the respective products along the value chain. The allocation to the five links of the value chain enables a more detailed examination of the focus issues.

Example: impacts on fruit and vegetables

For the “fruit and vegetables” product cluster, air emissions and energy, biodiversity, soil, water, working conditions and human rights were identified as focus issues along the supply chain. In addition to these topics from the value chain stages of raw material extraction and processing, the following were also identified as sustainability issues: transparency and business practices, environmental pollution and carbon dioxide emissions caused by transport as well as packaging and food waste.

Fruit and vegetables scorecard – overview of environmental and social impacts

 Raw Material Production	 Processing	 Transport	 Consumption	 Packaging / End of Life
Air emissions / energy	Human rights & working conditions	Environmental pollution	Packaging	
Biodiversity	Water	Carbon dioxide emissions	Food waste	
Soil	Transparency & business practices			
Water				
Working conditions, human rights				

Results in the “fruit and vegetables” product cluster

Focus issues	
Air emissions & energy	<ul style="list-style-type: none"> • Carbon dioxide emissions from using fertiliser and energy consumption during farming • Carbon dioxide emissions from logging to gain farming land • Emissions from transport

Focus issues

Biodiversity

- Threat to biodiversity due to pesticides, use of chemicals, etc.
 - Threat to biodiversity due to logging to create farming land and thus associated soil leaching and erosion
-

Soil

- Leaching of soils from farming
 - Soil erosion
-

Water

- Water pollution from fertilisers
 - Fresh water wastage during farming and production/processing
-

Working conditions

- Occupational safety (handling of chemicals, pesticides, hazardous substances, etc.)
 - Remuneration (e.g. of field workers, but also in further processing)
 - Limited access of small farmers to information, technology and resources
-

Human rights

- Risk of child labour and forced labour
-

The scorecards show the focus issues as well as their relevance and present the individual findings in detail. A comparison of the results with the sustainability activities of the REWE Group in Germany results in necessary measures to be taken.

In order to substantiate the results, the REWE Group conducts additional investigations for individual product areas, focus issues or vulnerable groups of people.

In 2019, for example, an assessment of the carbon footprint for the supply chains was prepared (for more information, see [Climate Protection in the Supply Chain](#)). In addition, a risk analysis was conducted in the area of forced labour (for more information, see [Child Labour and Forced Labour](#)) and, in 2020, in the area of women (for more information, see [Women in the Supply Chain](#)). An external risk analysis was conducted for fruit and vegetables

in the financial year in order to analyse the supply chains using external data. The results serve as the basis for the strategic focus of the fruit and vegetables product range with regards to sustainability.

For more information, see [Risk Management](#).

Human rights risk analysis: DER Touristik Group

To get a comprehensive overview of the human rights risks in its value chain and in destinations, DER Touristik Group conducts a human rights risk analysis at regular intervals and derives measures and objectives from it.

The relevant human rights risks and aspects in tourism include:

- Children's rights
- Workers' rights
- Modern slavery
- Equality
- Local residents' access to land, water and food
- Rule of law with a focus on personal rights
- Standard of living
- Corruption
- Political participation
- Rule of law with a focus on political rights

The human rights risk analysis could not be conducted in 2020 and 2021 due to the corona pandemic. However, it is planned for 2022 for the entire DER Touristik Group (previously only Germany) in preparation for the German Supply Chain Due Diligence Act.

In the last human rights risk analysis conducted in 2018, the violation of workers' and children's rights was identified as a particularly significant risk for DER Touristik Germany, with Thailand, South Africa and Egypt being rated as particularly risky countries. In 2019, the analysis was followed by a social impact assessment with the Round Table for Human Rights in order to identify specific challenges in Thailand and develop solutions. This covered topics such as women's rights and child protection. Broad challenges such as modern slavery, sexual exploitation and land theft were also addressed as part of industry initiatives.



GRI 204

Regionality

Looking at the origin of products has become a matter of course for many consumers. In particular, the regional origin of products is important to many customers. A regional product range strengthens farmers and businesses from the surrounding area – and consequently also the immediate environment of consumers. At the same time, short transport routes and seasonality can ensure a smaller environmental footprint. The current materiality analysis of the REWE Group has shown that the relevance of these topics increased again in 2020, which was impacted by the corona pandemic (for more information, see [Materiality Analysis](#)).

GRI 204: Procurement practices

Management approach

Background

Due to its origin as a cooperative, the REWE Group is deeply rooted in all regions in which the company operates through its stores. As a reliable partner, the company maintains relationships with local farmers that are on equal terms. The focus here is particularly on the protection, preservation and support of local structures.

Principles

With the [REWE Local Partnership](#) code of conduct, the REWE Group is declaring its commitment to its local responsibility and creating the conditions to promote local business. In this codex, REWE has worked with local suppliers and producers to define common values and principles in order to strengthen sustainable and fair cooperation and create added value in a sustainable manner, whether this be through short delivery routes, value creation in rural areas, or greater protection for animals or the environment. The code of conduct is binding and includes an independent ombudsman for the direct contractual relationships between REWE independent retailers and agricultural producers in Germany (see [For a Balanced Cooperation with Local Suppliers at REWE](#)).

Goals

The REWE Group wants to promote fair dealings with partners and suppliers as well as more sustainable product ranges through the expansion of regional products. In addition, the aim is to strengthen local value creation.

Implementation

The REWE Group is implementing its commitment to regionality through a continuous expansion of regional product ranges and clear labelling for regional products. Since 2010, the company has been using “locality officers” in the regions to create a structure for this in order to help smaller suppliers with certification processes and facilitate listing at REWE stores (see [Locality](#)). In addition, the company holds regular discussions with representatives of agriculture.

Supporting local farmers

The REWE Group is aware of its special responsibility towards agriculture in Germany and makes allowances for it with a series of long-term measures. The company is in close communication with farmers and works with them to develop ideas and measures to support agricultural structures, preserve biodiversity or bring agricultural products to market. In addition, the REWE Group is in constant exchange with various agriculture interest groups, from individual farmers to organised associations and alliances. It is important to the company to support local agriculture, strengthen it over the long term, and offer reliable, safe prospects.

“5D” Commitment

The collapse of the export market to Asia as a result of African swine fever and closed sales channels due to the measures taken to combat the corona pandemic have led to low producer prices in the German pigmeat sector. For this reason, the REWE Group pledged a guaranteed minimum price (pre-crisis level) to pig farmers at the end of 2020. In addition, the REWE and PENNY sales lines in Germany are ensuring that around 95 per cent of their conventional fresh pork product range is of German origin until summer 2022. By doing so, the REWE Group is giving pig farmers planning security and, with its commitment to the “5D” rule for pork (birth, rearing, fattening, slaughtering and disassembly/processing in Germany), it is sending an important signal of its support for local agriculture.

Proportion of spending on local suppliers

For the REWE Group, regional suppliers are those who produce an end product locally using raw materials from a specifically defined region and only sell it there. The regional product ranges have a high proportion of fresh fruit and vegetable products, which are offered in the stores depending on the season. To consumers, they represent freshness, short transport routes, trustworthy production and support of local economies.

The REWE Group has expanded its regional product ranges significantly in recent years. The basis for this is long-term relationships with suppliers in the region as well as transparent and attention-grabbing communication of the special advantages of these products to consumers – via the REWE regionality campaign, for example.

Introduced in 2012, the Germany-wide brand REWE Regional for regional products ensures quick recognition. The region of origin is printed on the package – as a politically demarcated area (e.g. German state), cultural area (e.g. Franconia) or traditional growing area (e.g. “Altes Land”). Examples include sausage and eggs from North Rhine-Westphalia, apples from “Altes Land” or cucumbers from the Spreewald. The regional product range has developed positively during the reporting period.

REWE Regional (Germany)¹

	2019	2020	2021
REWE stores that sell REWE Regional products ³	3,729	3,845	3,880
Customer contacts ²	128,825,717	158,780,375	159,819,620
Number of products ³	747	804	842

¹ The values deviate from those in the 2019 sustainability report because scanner data for REWE Dortmund has been taken into consideration since the 2020 financial year.

² Customer contacts are based on scan totals for individual products.

³ Applies only to products of which more than 200 items were sold.

Labelling regional products

As another way of promoting regional products, the REWE Group became a charter member of the supporting association Regionalfenster e.V. (Regional Window) in 2012 and has been implementing the group’s regional window concept for selected products in PENNY and REWE stores since 2014. The label provides consumers with verified information about the origin of ingredients and the preparation location. In this manner, the regional window creates transparency for customers that complements private-label-specific information. These products include regional plants such as herbaceous perennials or Nordmann firs as well as apples, carrots, asparagus or tomatoes, which often

come from one or more suppliers per region.

REWE labels products with the regional window if they are only offered in the stores of the region from which they also originate. It is used for REWE Regional products to verify the regional origin in a neutral manner and to show this transparently.

PENNY labels products with the regional window if these are available seasonably from Germany. At PENNY, as an additional indication of origin, regional fruit and vegetables are identified by the German state or the agricultural or “pleasure region” such as, for example, “from the German region of Lake Constance”. This transparency regarding the indications of origin is part of the regional commitment with which PENNY also commits to freshness through short transport routes and to promoting local producers.

Number of regional window products and product groups registered at REWE and PENNY (Germany)¹

	2019	2020	2021
REWE	721	802	879
PENNY	364	577	650

¹ GRI 102-48: In this section, the number of products was standardised both at REWE and PENNY and recorded according to registered products, no longer according to products subject to license fees. The previous year’s figures have been adjusted accordingly.

A further regional concept has been implemented since 2014 at the REWE Group in Austria at the stores of BILLA, BILLA PLUS and Sutterlüty, under the name “Da komm’ ich her” (“I come from here”). The private label product range comprises seasonal and regional fresh fruit and vegetables as well as eggs and now includes 200 products.

Regional concept “Da komm’ ich her”¹ (Austria)

	2019	2020	2021
Customer contacts ²	84,261,000	93,803,000	94,880,000
Number of products	261	226	200

¹ BILLA, BILLA PLUS and Sutterlüty in Austria.

² Customer contacts are based on scan totals for individual products.

Under the PENNY private label “Ich bin Österreich” (“I am Austria”), products that are made according to typical Austrian recipes and only with Austrian ingredients are sold. At the end of 2021, the product range included some 200 products. In total, “Ich bin Österreich” products generated over 107 million customer contacts in 2021.

Locality

When talking about locality, the products originate from suppliers who are usually small or direct sellers of agricultural products who supply a regionally limited number of stores directly. Local products are usually marketed in REWE stores under the umbrella brand “Aus deiner Region” (“From Your Region”) and are placed in stores and labelled accordingly. To further boost the number of products produced locally, REWE has appointed “locality officers” and thus created a structure which only deals with the local needs of customers and suppliers. These officers establish contacts between REWE stores and local producers and suppliers and accompany the products of local farmers along the entire journey, from the field to the supermarket shelf. For example, they organise locality conferences where suppliers can present their products. There were a total of 25 locality officers in the six REWE regions during the reporting period. One successful example of the promotion of local suppliers is the REWE “Landmarkt” (country store) concept in the Region “Mitte”. Farmers in the organisation Vereinigung der Hessischen Direktvermarkter e.V. (VHD) sell their products under this name throughout the state. At the end of 2021, 324 stores were selling the more than 2,900 Landmarkt products.

Landmarkt, Hesse (Germany)

	2019	2020	2021
Stores which sell Landmarkt products	310	312	324
Customer contacts ¹	9,960,520	9,990,460	11,154,860
Number of products ²	over 3,200	over 3,200	over 2,900

¹ Customer contacts are based on scan totals for individual products.

² Products on sale on the basis of product number (NAN), starting in market entry year.

REWE independent retailers also maintain some very long-term partnerships with local suppliers and farmers. In addition, some retailers have created their own regional product ranges. In the REWE Richrath stores in the Cologne area, consumers find a large number of products that bear the label “Wir aus der Region” (“We from the Region”).

For a balanced cooperation with local suppliers at REWE

To strengthen sustainable and fair cooperation with local farmers in the long term, the REWE sales line has defined shared values and principles with several thousand local suppliers and producers and anchored these in the “[REWE Local Partnership](#)”. With its REWE local partnerships, the REWE Group is supporting and promoting the protection and preservation of regional and local producers, particularly in the areas of fruit and vegetables, dairy, meat and sausage. The document presents four subject areas which the sales line uses as a basis for cooperation with local suppliers:

- Reliable contract partner
- Good money for good work
- Use of shared networks
- Shared innovations – to protect animals and the environment

With this document, REWE is declaring its commitment to its local responsibility and offering reliable guidance for cooperation with small and medium-sized farmers and producers in the direct environment of the stores. REWE local partnerships with small and medium-sized local producers and farmers are continuously being expanded. In terms of the practical implementation, REWE relies on the cooperation between “locality officers” and the retailers and store managers see ([Locality](#)). Together, they provide their local suppliers with a wide range of tools and support in order to use synergies and grow together in close, trusting cooperation.



GRI FP1

Raw Materials in Focus – Food

The supply chain links of raw materials production and processing involve particular environmental challenges and a heightened risk of non-observance of labour and social standards. Therefore, these areas are the focus of REWE Group activities. Within the scope of its [Product-related Risk Analysis](#), the Group has identified the following raw materials in the food area as critical: fruit and vegetables including at-risk crops such as bananas, meat and dairy products including animal feed, as well as coffee, cocoa, juices (formerly orange juice), tea, palm oil and fish.

These critical raw materials in the food area are assigned to the three areas of action – people, animals and the environment – within the [Green Products Strategy 2030](#). Within the framework of these areas of action, the REWE Group develops effective measures to reduce the environmental and social impacts and create positive effects – activities related to the focus raw materials in the food area play a special role here.

GRI FP1:

Percentage of purchased volume from suppliers compliant with the company's sourcing policy

The REWE Group works continuously to ensure that social and environmental factors as well as animal welfare aspects are taken into consideration in its supply chains. The REWE Group observes internationally recognised certification standards, cooperates in industry initiatives, launches its own projects and formulates requirements within the framework of [guidelines](#) and the [PRO PLANET](#) process. The approaches for individual critical raw materials are outlined below.

Fruit and vegetables

Since 2013, the REWE Group, in its framework agreement, has required suppliers of primary agricultural products in the area of fruit and vegetables to agree to comply with the core labour standards of the International Labour Organisation (ILO), within the respective framework of applicable national laws. This also includes the proper legal payment of at least the statutory, negotiated or contractually set wage. Suppliers must be able to provide proof that both requirements are met. They are also required to ensure that their own suppliers also meet these requirements.

All producers of fruit and vegetable products must demonstrate that they meet the requirements cited above by undergoing external audits (such as GLOBALG.A.P Risk Assessment on Social Practice, (GRASP), SA8000, Rainforest Alliance or amfori BSCI). This is checked on a risk basis as part of social compliance monitoring.

In addition to social aspects in fruit and vegetable production, the REWE Group is also committed to reducing environmental impacts. This includes promoting biodiversity through specific projects, for example concerning fruit and vegetable farming in Germany, requirements for the use of pesticides and close cooperation with standards such as GLOBALG.A.P., Rainforest Alliance or Fairtrade.

Bananas and pineapples: Projects in Central America

The cultivation of bananas and pineapples may result in negative social and environmental impacts in the production countries. These include poor working conditions at fruit plantations, the widespread use of pesticides and damage to ecosystems.

This is why, since 2008, the REWE Group has been committed to improving the environmental and social conditions for the cultivation of bananas and pineapples in Central America. Through the REWE Group Central America Fund – also previously called the Banana Fund – over 5 million euros in funding was provided for this purpose between 2013 and 2021. The fund is aimed at local organisations which can apply for funding by submitting their project ideas for evaluation. It serves to improve the living conditions of workers and their families as well as the environmental situation at banana and pineapple plantations. At the same time, local organisations and communities are to be strengthened in the planning and implementation of projects. The German Society for International Cooperation (GIZ) is responsible for coordinating project applications and controls the implementation of projects on site. Grants are approved by an approval committee made up of representatives for suppliers and the REWE Group.

Within the framework of a working group under the umbrella of the Initiative for Sustainable Agricultural Supply Chains, the REWE Group also advocates for a living wage and income in the banana sector. For more information, see [Living Wages and Income](#).

This commitment is complemented by strict requirements for cultivation. For example, all producers of bananas and pineapples offered in the sales lines of the REWE Group in Germany must meet organic standards or have Rainforest Alliance certification. In addition, bananas and pineapples sold under the private label REWE Beste Wahl, pineapples at PENNY and Chiquita bananas bear the PRO PLANET label of the REWE Group. PENNY also sells Fairtrade organic bananas.

Using a QR code, customers can trace REWE Beste Wahl bananas and pineapples and Fairtrade Biohelden bananas as well as pineapples from PENNY back to the producer (for more information, see [Promoting Sustainable Consumption](#)).

Percentage of conventional bananas and pineapples from Rainforest Alliance-certified cultivation

	2019	2020	2021	Status
Bananas at REWE and PENNY in Germany	100%	100%	100%	✓
Pineapples at REWE and PENNY in Germany	100%	100%	100%	✓

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

Palm oil

The increased cultivation of palm oil is leading to the loss of peat forests and rainforests. In many cases, this is destroying the livelihoods of local populations, and the habitats of valuable animal and plant species are being lost. The clearing of rainforests is also releasing huge amounts of carbon dioxide.

Against this backdrop in July 2021, the REWE Group, with its new [Guideline on Palm Oil and Palm Kernel Oil Products](#), formulated the goal to exclusively use sustainably produced palm oil for all private labels containing palm (kernel) oil which are sold in Germany and Austria. To ensure this, the company relies primarily on the certification standard of the Roundtable on Sustainable Palm Oil (RSPO), of which it has been a member since 2011. REWE and PENNY in Germany have already been using 100 per cent certified palm oil since 2013. The Lekkerland sales line has also exclusively been using certified palm oil in its private labels at least since its merger with the REWE Group in 2020. In Austria, the REWE Group has also only been purchasing certified palm oil since 2013, and its brand Ja! Natürlich has been completely palm oil-free since 2018.

Percentage of private label products using certified palm (kernel) oil products

	2019	2020	2021	Status
RSPO-certified palm (kernel) oil in private label products at REWE and PENNY in Germany	100%	100%	100%	✓
RSPO-certified palm (kernel) oil in private label products (Austria)	100%	100%	100%	✓
RSPO-certified palm (kernel) oil in private label products (Lekkerland)	- ¹	100%	100%	✓

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ There is no data for 2019.

The goals of the REWE Group guideline are also part of a company pledge which the REWE Group signed in 2015 as a member of the Forum for Sustainable Palm Oil (FONAP). Members of the FONAP have committed themselves to using only sustainably certified palm oil, palm kernel oil and their derivatives and fractions in their products. The traceability of palm oil used is to be ensured over the long term through the ambitious goals set as part of the company pledge as well as adherence to additional defined criteria. This also involves purchasing palm oil through the demanding trade model of segregation. In this process, RSPO-certified product is continuously separated from non-certified product along the entire supply chain. In consideration of the individual goals for each palm (kernel) oil product, REWE and PENNY in Germany attained a total achievement level of 99 per cent with all private label products in 2021. The two sales lines are working together with their suppliers to achieve the last per cent to complete the ambitious goals set as part of the company pledge. The requirements pose a special challenge to small suppliers with complex supply chain structures. For instance, some suppliers could only make the switch to the segregation trade model gradually because the setting up of separate product streams is very expensive. This is particularly the case when a supplier switches only a small amount of its total production. At the REWE Group in Austria too, any palm oil and palm kernel oil used in private label products is RSPO-certified and, apart from a few exceptions, is purchased via the segregation trade model.

From 2018 to 2021, the REWE Group supported a cooperation project between the FONAP and the Malaysian non-government organisation Wild Asia in order to increase transparency in the palm oil supply chain. In the first project phase, selected small farmers in the Perak/West Malaysia region tested the applicability of additional FONAP criteria. These included, for example, stopping usage of highly dangerous pesticides or implementing strict reduction targets for greenhouse gases. This enabled them to develop a better understanding of the importance of biodiversity and demonstrate that organic production without the use of pesticides is possible – and can even bring higher yields. As part of the second project phase, from the end of 2019 until March 2021, the small farmers were given support to trace their products. An app records the transactions of certified small producers and palm oil traders. This enables the traceability of certified palm oil to be displayed seamlessly. This is intended to give the small farmers better access to the market, since transparency in the supply chain is an increasingly important requirement for the sale of raw materials.

Cocoa

A large share of global raw cocoa production originates from West Africa and primarily takes place in small family farms. The cocoa farmers there have to contend with difficult economic conditions and often live with their families under the poverty line. Consequently, there is lack of necessary investment funds and poor working conditions are common. In turn this leads to exploitative forms of child labour (for more information, see [Child Labour and Forced Labour](#)).

In its [Guideline on Cocoa Products](#), the REWE Group formulated the goal of sourcing all raw cocoa supplies for its private labels from more sustainable farming structures by the end of 2015 – ensured by using the standards of Fairtrade, the Fairtrade Sourcing Program and the Rainforest Alliance. By the end of the 2021 financial year, 99 per

cent of the raw cocoa being used for the private labels of REWE and PENNY was certified. The missing per cent is largely down to suppliers who process small quantities of cocoa as they often have difficulties in sourcing certified cocoa. Due to this, the REWE Group has so far been unable to achieve its additional goal of reaching 100 per cent by the end of 2020 for REWE and PENNY private labels in Germany. The REWE Group is continuing to work on this. At the REWE Group in Austria, all raw cocoa supplies for private labels were certified in 2021. In order to make a permanent contribution to improving local living conditions in the cocoa sector, the REWE Group set itself a further goal in 2018: the complete switchover of chocolate products, instant cocoa, nut/nougat spreads and sweet baked goods of private labels as well as all organic private labels which contain cocoa ingredients at REWE and PENNY in Germany to Fairtrade or the Fairtrade cocoa programme by the end of 2020. This goal has been achieved.

Percentage of certified cocoa in private label products

	2019	2020	2021	Status
Cocoa-containing private label products at REWE and PENNY in Germany certified for Fairtrade, the Fairtrade Sourcing Program and the Rainforest Alliance	99%	98%	99%	↻
Cocoa-containing private label products in Austria certified for Fairtrade, the Fairtrade Sourcing Program and the Rainforest Alliance	100%	100%	100%	✓
Fairtrade-certified chocolate products and sweet baked goods ¹ of private labels at REWE and PENNY in Germany	65%	100%	100%	✓

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ These products include the following product groups: chocolate bars, pralines, confectionery for Easter and Christmas. The figures for nut/nougat spreads and instant cocoa cannot be ascertained automatically as part of this data collection. Therefore, these products do not fall within the scope of reporting.

In cooperation with the German Federal Ministry for Economic Cooperation and Development as well as Fairtrade, the REWE Group launched a project for a living income in the cocoa sector: the Fairtrade chocolate bars from this project were sold at REWE and PENNY from mid-2021. The cocoa beans used for the cocoa mass from which these chocolates are produced can be completely physically traced (for more information, see [Living Wages and Income](#)).

Improving conditions: German initiative on sustainable cocoa

As a founding member of the multi-stakeholder German Initiative on Sustainable Cocoa, the REWE Group has been supporting the PRO-PLANTEURS project along with other companies since 2012. The cocoa project in the Republic of Côte d'Ivoire, carried out in cooperation with the German Society for International Cooperation (GIZ), is aimed at professionalising cocoa-producing family farms and their cooperatives. In particular, women are to be given the opportunity to optimise their own income and create an improved basis for feeding their families. Additionally, cocoa cultivation is to be made more attractive again for young cocoa farmers. The living conditions of local families are to be improved through increased income and a more balanced diet. In the first phase of the project from 2015 to 2020, for example, 76 farming advisors were trained and 18,000 cocoa farmers received training on good agricultural practice. Following the successful conclusion of the first phase, PRO-PLANTEURS moved into a five-year follow-up phase in 2020. The aim is to improve the living conditions of 30,000 cocoa-farming families over the entire duration of the project.

Juices (formerly orange juice)

Many of the fruits processed into juices and juice products come from tropical and subtropical regions. There, but also in Europe, cultivation in monocultures, clearing for the plantations as well as a high use of energy, pesticides and fertilisers are having a negative impact on the environment and biodiversity. Particularly in tropical and subtropical countries, the living and working conditions of small farming families or pickers are often precarious or even dangerous. This leads to human rights violations – including child labour and forced labour, poverty-level incomes or lack of occupational health and safety. Such violations can also take place in Europe.

In its Guideline on Juices, revised in 2022, the REWE Group has formulated the goal of certifying 50 per cent of all private label juices, nectars and fruit juice drinks at REWE and PENNY in Germany (not including promotional, seasonal and regional products) for the Rainforest Alliance, Fairtrade, Naturland, the organic logo/label, SAI FSA bronze/silver/gold or GLOBALG.A.P. by the end of 2025. In 2020, the REWE Group had already achieved the goal of switching orange juice (both from concentrate and not from concentrate) to Rainforest Alliance or organic certification by 2025. Since the end of 2018, pineapple juice has also only been available from REWE and PENNY if it is certified.

Through cooperation with standards organisations and certification systems, the REWE Group is ensuring that resources are cultivated more sustainably in the defined risk countries. With projects such as the one being carried out in the largest European apple-growing region in Poland, it is ensuring greater biodiversity; see Biodiversity. In other projects, the REWE Group is championing, amongst other things, farmers in the Brazilian citrus belt. Through four Fairtrade small farmer organisations, 260 farmers, workers and technical advisors are receiving on-site training on more sustainable cultivation practices, the improvement of health and safety conditions and the strengthening of

organisation structures for greater self-determination. Other parts of the project include integrated pest control, tree disease management and soil protection. As part of the project, products for the private labels Paradiso and REWE Beste Wahl were developed in the REWE and PENNY sales lines, through which this commitment can be traced from the origin to the shelf.

Since 2016, the REWE Group, as a member of Europe's Sustainable Juice Platform, has also been campaigning for social and environmental improvements in the supply chains of the fruit juice industry. Together with the Sustainable Juice Platform, the REWE Group has supported the creation of the Living Wage Report of the Global Living Wage Coalition on living wages in orange cultivation in Brazil. The company is actively working to improve the local wage situation.

Partnership for sustainable orange juice

In 2020, the REWE Group teamed up with other companies and organisations such as the German Federal Ministry for Economic Cooperation and Development (BMZ), the Christian Initiative Romero (CIR), TransFair e. V. and ver.di (United Services Trade Union) to found the Partnership for Sustainable Orange Juice (PANAJO). As a member of the steering committee and the project development working group, the REWE Group is committed to actively promoting social justice, labour rights and environmental protection in the orange juice supply chain.

Coffee

The cultivation of coffee, as a globally traded commodity, is an important industry in many countries in Latin America, Asia and Africa. However, the yields of the mostly small farms are often too low to ensure a sufficient income for coffee farmers and their families. Added to this are health and environmental risks through the improper use of pesticides. In order to improve the situation of coffee farmers, REWE and PENNY in Germany set the goal of switching their private labels to coffee which is 100 per cent certified for the Rainforest Alliance, the organic logo/label or Fairtrade by the end of 2020. This goal was already achieved in 2019.

Percentage of certified private label coffee

	2019	2020	2021	Status
Private label coffee products at REWE and PENNY in Germany certified for the Rainforest Alliance, the organic logo/label or Fairtrade	100%	100%	100%	✓

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

With its coffee private label, Lekkerland is also contributing to sustainable cultivation: The coffee beans of the Coffee Bean Company are Rainforest Alliance-certified and therefore stand for environmentally conscious land use and socially responsible business practices.

Cooperative: Supporting coffee farmers in their local areas

Since 2009, the REWE Group has maintained a special partnership with the people of the Fairtrade coffee cooperative Valle de Incahuasi in Peru, in which it guarantees to purchase their coffee. The cooperative produces REWE Feine Welt coffee, which is certified for Fairtrade and the organic logo/label. The plants are grown under controlled organic farming conditions which put less strain on the sensitive ecosystem. After harvesting, the beans are tasted in the cooperative before undergoing relevant quality controls and then being transported to the nearest larger city of Andahuaylas in small vans. From there they are transported on to Lima, where they are shipped to be ultimately roasted in Germany's Ruhr Valley area.

Together with this cooperative, the REWE Group has been implementing a project to counteract climate change and increase farmers' incomes since 2018. It was successfully completed in 2021, but the cooperation continues. The cooperative will also benefit from the measures and activities of this project in the coming years, such as, for example, improved fertiliser management, shade trees and cultivation of a fungus for biological pest control.

This commitment in Peru has also been expanding since the start of 2021 to include the Valle de Ubiriki cooperative. Through its "Café Mujer" women's coffee, REWE wants to ensure that female coffee farmers have greater economic participation and independence: with its REWE Bio caffè crema pads, this is the first time that REWE has offered coffee grown exclusively by women. The Arabica beans, which are Fairtrade-certified and organically grown, come from the Chanchamayo region in the heart of Peru, from coffee gardens which are farmed exclusively by women and also belong to them. The entire green coffee production is organised by the women farmers themselves. REWE guarantees the 120 women of the "Valle de Ubiriki" cooperative that it will purchase their entire annual production at the Fairtrade minimum price. The other project launched, "Café Mujer", is intended to provide the women with comprehensive support. As part of this initiative, installations are being built for the production of organic fertilisers and native trees are being planted in the farmers' coffee gardens. The latter has significant benefits: the shadow effect inhibits weed growth, increases soil fertility and preserves biological diversity on the land, whilst the yields from the trees create additional sources of income. In addition, a wide range of workshops are organised. These include topics such as the post-harvest treatment of coffee beans and other operational practices as well as ones geared to the promotion of women farmers through qualifications such as team leadership, self-confidence and communication.

Tea

Conventional tea plant cultivation often takes place in monocultures with heavy use of pesticides. This endangers biodiversity and the drinking water supply for people who live in the cultivation areas. Local workers also face a number of challenges, including low wages and inadequate occupational health and safety practices. Against this backdrop, the REWE Group promotes more sustainable agriculture in tea production and purchases certified products which bear the Rainforest Alliance seal in particular, but also the Fairtrade mark or the EU organic logo.

The REWE Group set itself the goal of ensuring that 100 per cent of the raw material contained in all black and green tea products is certified. This goal was achieved by the end of 2018. In addition, all herbal and fruit tea products (including rooibos tea) are to be certified by the end of 2025 and at least 30 per cent of the raw material contained therein is to be certified. The aim is to continuously increase the percentage of certified raw material in each product. The REWE Group summarised these goals along with the challenges and actions in its [Guideline on Tea Products](#).

Percentage of certified tea products/raw material at REWE and PENNY

	2019	2020	2021	Status
Black and green tea products in REWE and PENNY private labels in Germany certified for the Rainforest Alliance, Fairtrade or the organic logo/label	100%	100%	100%	✓
Herbal and fruit tea products at REWE and PENNY in Germany certified for the Rainforest Alliance, Fairtrade or the organic logo/label	57%	93%	93%	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

Fish

Global fish consumption is constantly rising and is currently around 20 kilograms per capita per year. Fisheries and aquaculture provide some 60 million people with a livelihood. The flip side is that fish stocks are suffering from overfishing, with some species even being threatened with extinction. Undesired bycatch can lead to the loss of biodiversity and an alteration of the composition of marine ecosystems. Aquaculture also has to contend with environmental issues.

The REWE Group wants to actively contribute to reducing and eliminating environmental, social and economic impacts in the supply chain of fish and seafood. For this purpose, the company has formulated the following goals for the private label products of REWE and PENNY in its [Guideline on Fish and Seafood](#), which was updated in 2022: the certification of all private label fish products in the areas of deep frozen, convenience, fresh and tinned in Germany

for the Marine Stewardship Council (MSC), GLOBALG.A.P., the Aquaculture Stewardship Council (ASC) or organic certification, if available. When it comes to purchasing certified products, the REWE Group is dependent on the agreements of neighbouring countries regarding fishing quotas. Situations can arise which lead to the withdrawal of certifications such as the MSC for individual fish species. The REWE Group therefore advocates for political agreements. Also, in the long term, the packaging of all fish mono-products will be marked with a tracking code providing customers with detailed information on where the fish was sourced and how it was processed.

Percentage of more sustainable private label fish products at the REWE Group in Germany

	2019	2020	2021	Status
Private label fish products of REWE and PENNY in Germany with certification for MSC, GLOBALG.A.P., ASC or organic certification	-	70%	88%	↻
Private label fish products of REWE and PENNY in Germany with certification for MSC, GLOBALG.A.P., ASC or organic certification and private label tuna from selected suppliers ¹	96%	-	-	✓
Percentage of private label fish products at REWE and PENNY in Germany with a tracking code	78%	63% ²	84%	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ If not MSC-certified, tuna is sourced from a supplier who is a member of the International Sustainable Seafood Foundation (ISSF), from a fishing boat which is entered in the ProActive Vessel Register (PVR), or from a fishery improvement project (FIP).

² The decline is the result of an error which meant that the tracking code for 2020 was not displayed on all of the products for which it was intended.

The product range (private labels and industry brands) of the REWE Group in Austria comprises around 400 MSC-certified fish products.

Meat

Meat is an integral part of eating habits today. Consequently, the production of animal products is a significant branch of agricultural output. The REWE Group advocates for animal-appropriate husbandry here. For this purpose, the company works together with business partners and suppliers to implement binding standards and promotes dialogue between all partners to counteract negative impacts in terms of animal welfare. As an additional approach, the Group also offers, for example, vegan private labels to accompany the dynamic trend towards a vegan diet. In the [Guideline on Animal Welfare](#) which was updated in 2022, the company defines specific measures and goals. For more information about this, comprehensive insights into the strategic approach as well as the specific goals and measures, see [Animal Welfare](#).

Soy in animal feed

In conventional animal husbandry, soybean meal imported from overseas is frequently used to ensure the animals have a sufficient supply of protein. Since the land-intensive cultivation of soybeans is having drastic consequences for the environment, especially in South America, the REWE Group is continuously analysing all supply chains which use large amounts of soy with regard to the ecological balance. The goal is to gradually reduce the amount of soybean meal imported from overseas and – where it cannot be substituted – to switch to certified deforestation-free soy. The REWE Group defined this back in 2013 in its [Guideline on Soy in Animal Feed](#).

Since the end of 2019, the entire Germany-wide private label product range at REWE and PENNY for fresh eggs, milk and poultry has been certified as deforestation-free. Since the end of 2021, this is also true of the private label product range for pork and beef. The company has also set a new goal during the financial year: 100 per cent deforestation-free feed for dairy products and processed meat products with a meat content of over 50 per cent by the end of 2025. Here, the REWE Group relies on recognised standards such as ProTerra, ISCC+, Donau Soja / Europe Soya and RTRS. Contractual agreements with suppliers are documented through appropriate evidence.

The commercial company also carries out specific projects in the countries of origin. As a founding member of the Donau Soja association, the REWE Group, in cooperation with more than 250 farmers, has supported the cultivation of over 79,000 tonnes of certified deforestation-free soy in Croatia and Serbia since 2015.

The soybean meal imported from overseas often comes from genetically modified varieties. The REWE Group has therefore defined soy that is free of genetically modified substances as a requirement for the producers of private label products in its [Guideline on Soy in Animal Feed](#). This requirement is implemented individually for each species of farm animal.

As proof that particular feed has not been genetically modified, the REWE Group in Germany uses, amongst other things, the seal of the Verband Lebensmittel ohne Gentechnik e. V. (VLOG) (German Association of Non-Genetically Modified Foods). The VLOG standard is proven by the relevant certificates of suppliers. In addition, no genetically modified feed is used for organic products of animal origin.

As was already the case in 2019 and 2020, the percentage of private label products at REWE and PENNY in Germany bearing the VLOG seal for fresh poultry, the fresh egg product range as well as fresh milk and UHT milk was 100 per cent in 2021. Also, the feeding of animals with non-genetically modified feed is assured for all meat products originating from husbandry levels 3 and 4. For the REWE sales line there is also three regional and national pork programmes at husbandry level 2 which guarantee that feed is free of genetically modified substances. At the REWE Group in Austria, the entire fresh eggs and milk product range uses non-genetically modified feed.

Percentage of products bearing the seal of the Verband Lebensmittel ohne Gentechnik e. V. (VLOG)

	2019	2020	2021
Fresh milk and UHT milk	100%	100%	100%
Fresh eggs product range	100%	100%	100%
Fresh poultry	100%	100%	100%

For more information about the REWE Group’s involvement in organisations and initiatives, see [Initiatives and Memberships](#).



GRI FP1

Raw Materials in Focus – Non-food

The supply chain links of raw materials production and processing involve particular environmental challenges and a heightened risk of non-observance of labour and social standards. Therefore, these areas are the focus of REWE Group activities. As part of a [product-related risk analysis](#), the commercial company identified the following raw materials in the non-food area as critical: cotton and textiles as well as natural stone (for more information on the supply chains of individual raw materials, see [Supply Chain](#)).

The critical raw materials in the non-food area are assigned to the three areas of action – people, animals and the environment – within the [Green Products Strategy 2030](#). Within the framework of these areas of action, the REWE Group develops effective measures to reduce the environmental and social impacts and create positive effects – activities related to the focus raw materials of cotton, textiles and natural stone in the non-food area play a special role here.

GRI FP1

Percentage of purchased volume from suppliers compliant with the company's sourcing policy

The REWE Group works continuously to make its supply chains more socially and environmentally responsible. The company observes internationally recognised certification standards, cooperates in industry initiatives, launches its own projects and formulates requirements within the framework of [guidelines](#) and the [PRO PLANET](#) process. The approaches for individual raw materials are outlined below.

Cotton and textiles

Cotton is one of the most important raw materials in the textile industry and is primarily grown in India, China and the USA. Conventional cotton cultivation is water-intensive and requires large amounts of pesticides and fertilisers. In order to increase the proportion of textile products made from more sustainable cotton, the REWE Group in Germany relies on Cotton made in Africa (CmiA), the Global Organic Textile Standard (GOTS) and textiles made from recycled fibres. In addition, the commercial company also supports Germany's Green Button textile seal.

The REWE Group aims to raise the proportion of textiles made from more sustainable cotton at REWE, PENNY and toom Baumarkt DIY stores in Germany to 100 per cent by 2025. In 2021, this figure was 98 per cent.

Percentage of more sustainable textiles made from cotton (REWE, PENNY and toom Baumarkt DIY stores in Germany)

	2019	2020	2021	Status
Percentage of CmiA- or GOTS-certified textiles	88%	91%	98%	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

The REWE Group began to support CmiA in 2008. The initiative of the Aid by Trade Foundation is committed to improving the living conditions of small farmers in Africa and their families by helping people to help themselves. Agricultural training sessions teach them about efficient farming methods that increase cotton yields and quality while protecting their health and reducing the environmental impact. They are also receiving support through various cooperation projects, for example in the areas of education and the promotion of women.

The green button

In order to give its consumers guidance for the purchase of more sustainable textiles, the REWE Group has been supporting the Green Button since its introduction in 2019. The government-run seal for sustainable textiles is intended to ensure environmental and social standards in the textile supply chain. In total, 46 social and environmental criteria place binding requirements on the product and its manufacturing process – from effluents limits to the ban on forced labour. The seal is applied directly to the product and is easy for customers to see when shopping. REWE and PENNY in Germany are already labelling various products with the Green Button. These include, for example, the cotton shopping bag, the reusable net for fresh food at PENNY as well as clothing and home textiles at REWE and PENNY stores.

In addition to focusing on the raw material cotton, the REWE Group is committed to a more sustainable textile sector through a variety of measures. In order to reduce the environmental impacts in the textile supply chain, the REWE Group joined the Detox campaign by Greenpeace in 2014 and set up a corresponding programme for products distributed by the REWE Group in the product groups of clothing, shoes and home textiles. The goal is to ensure safe textile production with no dangerous chemicals. To achieve this, the REWE Group works together with its suppliers to systematically eliminate hazardous chemicals from textile production. The Greenpeace Detox campaign officially came to an end in 2020. Regardless of this, the REWE Group remains committed to eliminating dangerous chemicals from textile production. The REWE Group realises this through capacity building training for strategic suppliers which includes advanced chemical management training (for more information, see [Environmental Aspects in the Supply](#)

Chain).

With the aim of ensuring reliable safety in the textile industry in Bangladesh, the REWE Group signed the Bangladesh Accord on Fire and Building Safety in 2013 and the follow-up agreement, the “2018 Transition Accord”, in 2017. Since its expiration, the REWE Group has been supporting the RMG Sustainability Council (RSC), which was founded in 2020 and has officially taken over the tasks of the agreement in Bangladesh. In May 2021, the REWE Group signed the three-month extension of the “2018 Transition Accord”. The company also plans to sign the new International Accord for Health and Safety in the Textile and Garment Industry, as soon as the new draft is available and checked. This would be valid until October 2023 (for more information, see [Social Aspects in the Supply Chain](#)). Furthermore, the REWE Group is a member of the international Fur Free Retailer Program. The use of real fur in private label product ranges has already been banned for some years now. In the [Guideline on More Sustainable Textiles](#), the REWE Group describes its management approach and its activities.

Wood and paper

The REWE Group is committed to protecting forests and the species of animals and plants that live there. For this reason, it supports environmentally and socially responsible forest management by increasingly procuring wood and paper for its products and packaging from sustainably operated sources. The REWE Group uses the seals of the Forest Stewardship Council (FSC®) and the Programme for the Endorsement of Forest Certification Schemes (PEFC™) as well as the environmental seal Blauer Engel (Blue Angel). A variety of products from the REWE Group have already been awarded these seals.

In 2020, for the REWE and PENNY sales lines in Germany, the REWE Group set the goal in the area of non-food of certifying all wood and paper products (with a wood or paper content of at least 90 per cent) through one of the following standards by the end of 2025: Blauer Engel, FSC Recycled, PEFC Recycled, FSC 100%, PEFC™ or FSC Mix. This goal was already achieved in the area of near-food (including sanitary paper products) in 2020 and has been a requirement ever since.

Percentage of more sustainable wood and paper (REWE and PENNY in Germany)

	2019 ¹	2020	2021	Status
Percentage of wood and paper products certified for Blauer Engel, FSC Recycled, PEFC Recycled, FSC 100%, PEFC™ or FSC Mix in the area of near-food (including sanitary paper products) at REWE and PENNY in Germany	-	100%	100%	✓
Percentage of wood and paper products certified for Blauer Engel, FSC Recycled, PEFC Recycled, FSC 100%, PEFC™ or FSC Mix in the area of non-food at REWE and PENNY in Germany	-	99%	99%	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ There is no data for 2019 as the goals associated with the disclosures were only adopted in 2020.

toom Baumarkt DIY stores also offer a constantly growing range of certified products from numerous product categories and the sales line has been a member of FSC® and PEFC™ since 2018. It therefore supports the high standards of these two systems for transparency and control in terms of sustainable forest management. In addition, the sales lines REWE, PENNY and toom Baumarkt DIY stores in Germany have been marketing only FSC® - or PEFC™-certified charcoal during the financial year.

Peat-free soil

toom Baumarkt DIY stores have set themselves the goal of discontinuing the sale of peaty soils by 2025. This applies to both private labels and brand products. During this transition, the proportion of peat will be steadily reduced across the entire product range and replaced with renewable raw materials. In addition, the offering of peat-free soil products will increase each year. In 2021, the private label product range of peat-free soils comprised a total of 19 products, including seven Naturtalent by toom® potting soils, eleven products from toom's quality brand, plus one additional product. Through this strategy, all of toom's private label soils are now at least peat-reduced. The REWE and PENNY sales lines have also supplemented their seasonal soil product range with peat-free and peat-reduced alternatives. In the long term, the plan is to also replace peat with alternative materials for ornamental plants (for more information, see [Biodiversity](#)).

Natural stone

toom Baumarkt DIY stores want to ensure that social standards and environmental requirements are adhered to during mining and the production of natural stone products. To achieve this, toom has been working for some years with independent experts at the NGO XertifiX in order to seamlessly trace the supply chain of natural stones all the way back to the quarry and independently check compliance with social and environmental criteria. toom Baumarkt DIY stores also actively collaborate as trade representatives on revising this standard, which is valid until 2023. Certified natural stone products bearing the XertifiX PLUS and PRO PLANET labels have been available at toom Baumarkt DIY stores since 2016. Their share in sales of natural stones is 82 per cent. Furthermore, all natural stone products available in toom Baumarkt DIY stores from China bear the XertifiX PLUS label.

Nordmann fir

80 per cent of the seeds of all Nordmann firs originate from the economically underdeveloped region of Racha in Georgia. Together with the Danish foundation Fair Trees, toom Baumarkt DIY stores are committed to fair working conditions and greater safety for cone harvesting in Georgia. Before each harvest season, the cone pickers complete a five-day climbing training course to German climbing standards. They also receive professional climbing equipment which includes a dual safety system. In addition, fair wages are paid and accident insurance is provided during the harvest season.

Since 2018, toom Baumarkt DIY stores have switched their Nordmann fir product range completely to Fair Trees. For each tree sold, a new tree from fair harvesting is planted. In addition to the Fair Trees logo, the trees bear the PRO PLANET label. Each fir sold allows toom Baumarkt DIY stores to support the foundation Fair Trees in its work to implement numerous social projects in the harvest region in Georgia. Despite a crop failure due to climatic conditions across the entire region, projects in 2021 still included, for example, the awarding of higher education scholarships to students, the supporting of remote learning through materials and the enablement of teachers, as well as the provision of support for a girls football club.

Since 2021, the REWE sales line has also been offering Fair Trees Nordmann firs.

More sustainable travel: Futouris e. V. and Magalogue

In 2015, DER Touristik joined the sustainability initiative of the German travel industry Futouris – with the goal of helping tourist destinations by providing support for projects in the fields of ecology, species diversity and responsibility toward society and culture in the long term. As part of this, for example, a project for the prevention of food waste in hotels was carried out and guidelines for analysing the human rights impacts of business activities in large tourism companies were created. The finished projected, Green Travel Transformation, resulted in a uniform logo for sustainable travel offerings which is recognised throughout the industry: since winter 2019, sustainably certified hotels have been identified with a green leaf. In 2021, DER Touristik and Futouris e. V. also prepared a feasibility study on the creation of an industry-wide CO₂ accounting system for travel. DER Touristik wants to use the study to inform its guests about the climate impacts of different travel offerings in a transparent manner and, at the same time, to specifically promote climate-friendly travel alternatives.

The member companies of Futouris e. V. are also working together to reduce the amount of tourism-related plastic waste in the Balearics. The project “Plastic Free Balearics” was paused in 2020 and 2021 due to the corona pandemic. Despite this pause, the guidelines “Plastic-free holidays on Balearic Islands” were published during the financial year. They help hotels and tourism businesses to find more sustainable alternatives to frequently used single-use plastic products.

In addition to the projects with Futouris, DER Touristik published its first two catalogues in magazine form (the “magalogue”) in 2021. Under the title “Bewusst Reisen” (“Conscious Travel”), the goal of these magalogues is to bring together sustainable and responsible travel offerings and make them transparent. They contain hotels which have sustainability certification in Europe as well as medium- and long-distance travel destinations.

To raise employees' awareness of these issues, DER Touristik conducts regular training sessions on human rights and tourism. For more information about the projects of DER Touristik, see [Promoting Sustainable Consumption](#).



GRI FP2

Organic

Organic products have a positive effect on people, animals and the environment as they are less contaminated with hazardous substances. For example, no artificial colours and flavourings and no chemical pesticides are used. Moreover, highly soluble mineral fertilisers are used. This also protects soils and waterways. In addition, animals raised in an organic production environment have larger stalls and more time outside. Consequently, organic products have become a significant and growing consumer segment: in 2021, customers across Germany spent almost six per cent more on organic food and drinks than in the previous year, with demand for organic meat rising by 20 per cent. The REWE Group is pursuing the strategic goal of expanding its more sustainable product range – organic products make an important contribution to this.

GRI FP2: Percentage of purchased volume which is verified as being in accordance with credible, internationally recognised responsible production standards.

Management approach

Implementation

The REWE Group is continuously working to expand the organic product ranges in its sales lines. In the Guideline on Organic Products adopted in 2014, the REWE Group formulated comprehensive requirements for its organic private labels for suppliers and farms which, in many cases, exceed the legal standard of the EU eco regulations. All organic products of the REWE Group are certified by the ecological inspection board ABCert AG, which is shown by the inspection board code DE-ÖKO-006.

Furthermore, the REWE Group joined the project “Gemeinsam Boden gut machen” (improving soil health together) as a partner in 2021. It supports farmers who want to convert their farm to organic operations or expand existing ones. Therefore, the REWE Group is helping to improve waterways and soils and protect biodiversity. This also increases the offering of organic food produced in Germany. This is important as the production of organic food in Germany does not currently meet the high demand.

Locality officers were introduced to the regions during the financial year specifically for the REWE sales line. Their role is to increase the proportion of local organic producers in the markets and serve the organic farmers and producers in the region as contact partners.

The various organic product ranges in the sales lines of the REWE Group have developed positively during the reporting period. This can also be observed for organic farming throughout Germany: for example, sales from organic food in this country rose by around nine per cent in 2021 alone.

Organic brands at the REWE Group

In order to place organic products on the market and steadily expand the product range, the REWE Group offers organic private labels in its individual sales lines:

REWE private labels with organic quality

The quality standards of many products from REWE Bio, the REWE private label for organic products, go beyond the legal EU requirements. For example, the significantly stricter criteria of the organic farming association Naturland are already applied to 337 organic products in the REWE sales line and these products therefore bear the Naturland seal. In addition, the entire REWE organic product range has been continuously expanded since 2013. During the reporting period there were over 750 REWE organic products in the product range (average over the course of the year). This gives a share of REWE organic products in the sales value of REWE private labels of around 19 per cent in the financial year. 2021 also saw the arrival of the private label REWE Bio + vegan with around 30 vegan organic alternative products so far. The products are vegan, organic-certified and bear the PRO PLANET label “Für mehr Klimaschutz” (For more climate protection).

In order to increase sales value further and make its customers more aware of organic products, REWE launched the campaign “Mehr Bio für dich, besser für alle” (More organic food for you is better for everyone) in 2020. Through specific REWE organic products which bear the Naturland seal and have the associated added value – from the avoidance of artificial flavours and better husbandry conditions for greater animal welfare through to social standards – the sales line is demonstrating why organic products are better for consumers, animals, the environment and people in this regard. When it comes to organic fruit and vegetables, REWE is also trying to reduce packaging. Since 2020, it has been offering more and more products either without packaging, without plastic as far as possible or with improved packaging (also see [Packaging](#)).

A strong partner for over a decade: Naturland

Since 2009, the REWE sales line has maintained a close partnership with Naturland, one of the largest international organic associations, to increase organic farming and make organic products accessible to a wider market. With some 140,000 farmers, beekeepers and fish producers in 60 countries, Naturland is pursuing the goal of making sustainability in farming and the food industry a reality as producers of genuine organic products of quality. Naturland rules go beyond the legal requirements of the EU organic farming regulation in that they cover many more areas and therefore contribute, amongst other things, to the protection of resources, biodiversity and greater animal welfare. Naturland also checks products against social criteria and campaigns for better working conditions in risk countries – especially when it comes to import products such as coconut milk, sugar, cocoa, tea, coffee, spices and honey. In 2021, the number of Naturland goods in the REWE product range increased to 337 products – from trend and vegan products such as pasta made from peas, various coconut products and soy drinks through to a selection of dairy products. Together with Naturland, REWE Bio can offer an ever-expanding product range – with a clear focus on regional and also international variety.

Working together for organic farming: Demeter

In order to promote organic farming throughout Germany and support agricultural structures in the region, the REWE sales line joined the organic association Demeter in September 2020. Demeter producers and manufacturers operate according to the biodynamic method and in compliance with guidelines which go far beyond the requirements of the EU eco regulation. Across Germany, REWE is offering more and more products in its stores which have been awarded the organic seal of Demeter and therefore meet the association's strict quality criteria – there are currently 1,772 different products.

Naturgut: Organic products at PENNY

PENNY has been offering the brand Naturgut since 2014. Since 2019, Naturgut has been focused exclusively on organic products. Depending on the promotional period, PENNY had over 200 Naturgut products in its product range in 2021. The share of Naturgut products in the sales value of private labels is seven per cent, which represents a slight increase. In 2020, PENNY relaunched the Naturgut packaging in order to further increase the signal effect of organic products. Green price labels are also being introduced to stores in order to make organic products visible at first sight. Naturgut is also the first brand at PENNY to show the Nutri-Score on the respective products. The score indicates the nutritional quality of a product on a five-level scale (for more information, see [Nutrition](#)).

In addition, the brand Naturgut Bio-Helden stands for organic fruit and vegetables that have minor flaws in their shape or skin. Such problems are more common with organic products but they do not reduce the quality of the products in any way. Through this brand, PENNY has been campaigning against food waste in the upstream product stage since 2016. Depending on the season, PENNY has 20-25 organic fruit and vegetable products in the product range on average.

Incentive for organic farming

In order to be able to meet the rising demand for organic products, more producers in organic farming are required. This is why PENNY launched the Naturgut Junior-Helden (Junior Heroes) in 2018. These are “in-conversion products” from producers who, due to the statutory transition period of one to three years (depending on the fruit or vegetable crop), do not yet have official organic certification, but already produce organically with the associated higher costs. With Naturgut Junior-Helden, PENNY is providing these producers with a new marketing opportunity: they receive more revenue than for conventional products, but slightly less than the organic price. This discount is passed on fully to the customers, and is communicated on the label. This gives farmers a greater incentive to switch to organic farming. In this way, PENNY is securing organic fruit and vegetables from Germany and Europe over the long term, because the products receive the German organic farming label after the transition period. PENNY is also actively campaigning for the introduction of a transition seal at European level.

Development of organic products in Germany (shares in per cent)

	2019	2020	2021 ✓
Organic products* (percentage of net sales value of organic private labels and manufacturer brands in the net sales value of private labels and manufacturer brands at REWE and PENNY in Germany)	6%	7%	8%
Organic private labels* (percentage of net sales value of organic private labels at REWE and PENNY in Germany in the net sales value of private labels)	13%	14%	16%
REWE Bio* (percentage of net sales value of “REWE Bio” in the net sales value of private labels at REWE)	15%	17%	19%
PENNY Naturgut* (percentage of net sales value of “Naturgut” in the net sales value of private labels at PENNY)	5%	6%	7%

* Percentages exclude near-food and non-food, tobacco and alcoholic beverages.

toom Baumarkt DIY stores: Organic products for the kitchen garden

toom Baumarkt DIY stores have been selling organic-certified private label products for kitchen gardens since 2014. These products include peat-free soils certified by the Bio-Grünstempel® (Organic Green Seal), organic fertiliser, organic herbs and organic vegetables. toom also started offering local fruit shrubs and fruit trees exclusively in organic quality in 2018. In 2021, this offering included over 628 plant products.

Organic in Austria

With the creation of Ja! Natürlich in 1994, BILLA was a pioneer of organic farming in Austria. The product range now includes 1,100 different organic products which are offered on the shelves of BILLA, BILLA PLUS, ADEG and Sutterlüty. PENNY Austria sells its organic products under the private label Echt B!O.

Development of organic products in Austria (shares in per cent)

	2019	2020	2021
Ja! Natürlich¹ (in gross sales value of full product range ² in Austria)	6.8%	7.1%	7.4%
Echt B!O¹ (in gross sales value of PENNY Austria)	2.0%	2.4%	2.8%

¹ Excluding near-food and non-food, tobacco and alcoholic beverages.

² Full product range is defined as BILLA and BILLA PLUS.

Further sales lines with organic product ranges

Organic product ranges are also found in the sales lines of the convenience sector such as Lekkerland or REWE To Go – in this case, for example, only organic coffee is served. The FÜR SIE trade group, the online wine distributor Weinkeller and the online shop for pet food and supplies ZooRoyal also include organic product ranges. The combine's production operation Glocken Bäckerei also offers an organic product range.



GRI FP2

PRO PLANET

As a trade and tourism group, the REWE Group sees its key task as providing its customers with high-quality products and services. As part of this, it is important to the company that private label products are produced in a socially and environmentally more sustainable manner or meet higher animal welfare standards. Against this backdrop, the REWE Group developed the PRO PLANET label. PRO PLANET represents one major goal of the REWE Group: to make products more sustainable and to encourage sustainable consumption among a broad group of consumers. REWE, PENNY and toom Baumarkt DIY stores use the PRO PLANET label to identify private label products which take social and environmental aspects as well as animal welfare into consideration. The PRO PLANET label thus provides a reliable and comprehensible orientation for shoppers.

GRI FP2: Percentage of purchased volume which is verified as being in accordance with credible, internationally recognised responsible production standards

The PRO PLANET label

Principles

The PRO PLANET label was developed in 2010 and can be used, in principle, for all private label products of the REWE Group. The REWE Group saw the 10-year anniversary in 2020 as an occasion to redesign the label and further develop the awarding process. The Sustainability Advisory Board plays a central role here. It is involved in all PRO PLANET processes as well as the continuous development of the REWE Group's sustainability strategy.

The PRO PLANET involvement essentially pursues a holistic approach to improve sustainability in the supply chain of REWE Group private label products. In order to implement sustainability in a targeted manner, the REWE Group operates in Germany using a due diligence approach. This management approach is based on a guideline of the OECD which was developed to help companies build responsible agricultural supply chains.

Strategy process

The process includes five levels: management system, risk analysis, strategy, review and reporting. This process is used to derive the strategy of the REWE Group in terms of how private label products can be produced in a socially and environmentally more sustainable manner or meet higher animal welfare standards. Measures taken for this purpose include integrating sustainability aspects into purchasing processes, systematically cooperating with

suppliers, and maintaining a continuous dialogue with relevant stakeholders. This multifaceted and strategic sustainability commitment of the REWE Group forms the basis for PRO PLANET and its cooperation with the Sustainability Advisory Board.

The sustainability advisory board

The entire PRO PLANET process is supported by an independent stakeholder committee: the Sustainability Advisory Board consists of independent experts and representatives of non-governmental organisations who contribute their knowledge and approve the issuance of the PRO PLANET label. Its members meet up to four times a year for one or two days. During the awarding process, the REWE Group also involves external partners who have the expertise required for each specific project. In addition, the Advisory Board works with the REWE Group to develop, assess and implement numerous sustainability-relevant measures for the REWE and PENNY sales lines in Germany. This includes both additional work within the PRO PLANET process and the continuous development of the REWE Group's sustainability strategy, e.g. through involvement in the creation and updating of guidelines. Furthermore, each Advisory Board member has been given responsibility for a specific topic.

Members of the sustainability advisory board:

- Georg Abel (Die VERBRAUCHER INITIATIVE e. V.), Advisory Board expert for the topic "consumers"
- Bernward Geier (COLABORA), Advisory Board expert for the topic "organic products"
- Friedel Hütz-Adams (SÜDWIND e. V.), Advisory Board expert for the area of action "people"
- Kristian Klöckner (NABU Bundesverband e. V.), Advisory Board expert for the area of action "the environment"
- Stefanie Pöpken (expert for animal welfare in farming), Advisory Board expert for the area of action "animals"

The PRO PLANET awarding process

The label awarding process comprises the following steps:

1. Analysis and strategy check:

Sustainability officers at the REWE Group and the Sustainability Advisory Board research and analyse challenges and measures in different product groups and their supply chains. The analyses are then summarised and processed together. The REWE Group discusses the results in an internal workshop and derives measures therefrom. These are presented to the Advisory Board and a shortlist of measures is agreed jointly.

2. Definition of measures and PRO PLANET requirements:

The measures worked out in the first step are defined by the Sustainability Advisory Board, the sustainability officers of the respective product ranges and the REWE Group's purchasing department. These can comprise various activities depending on the challenge in the supply chain – from the purchase of certified raw materials, the creation of (raw material) guidelines and the definition of goals through to the implementation of own projects (e.g. a biodiversity project for local fruit and vegetable farming or training programmes for small farmer cooperatives in Brazil). When it comes to purchasing certified raw materials, the Sustainability Advisory Board checks thoroughly

whether the criteria of the respective standard (e.g. Rainforest Alliance, Fairtrade, Naturland or EU organic logo/label) address the significant environmental and social problems. In addition, a proposal for measures or goals for implementation by the REWE Group is developed so that product groups or individual products can be awarded the PRO PLANET label. The results are presented to the entire Sustainability Advisory Board in order to subsequently adopt the measures or goals in a strategy and budget process for the REWE Group.

3. Implementation of measures and approval by the Sustainability Advisory Board:

The sustainability officers at the REWE Group create a binding project plan for the agreed measures and requirements, including milestones and objectives. On this basis, the Sustainability Advisory Board makes a final decision as to whether the agreed measures and requirements are sufficient for product groups or individual products to receive a PRO PLANET label. If product groups or individual products meet the finally agreed requirements, they are permitted to bear the PRO PLANET label for a limited period.

The earth in focus: the PRO PLANET label

The PRO PLANET label, which was redesigned in 2020, places the earth at the centre. The measures taken by the REWE Group often deal with challenges from several subject areas – depending on which problems arise for people, animals and the environment during the manufacture of private label products. The contribution to sustainability underneath the globe always only describes the most important contribution of the REWE Group for the respective individual product or product group. Additional information can be obtained on the website pro-planet.info.

There are currently both products with the old label and those with the new label in circulation. The REWE Group informed consumers of this during the financial year.



Development of PRO PLANET products

Goal

The REWE Group has formulated the following goal as part of the realignment of PRO PLANET: the aim is for 25 per cent of private labels at REWE and PENNY in Germany to bear the PRO PLANET label by the end of 2025.

In 2021, the label was applied to many additional products. These include, for example, products in the new vegan, climate neutral private label product ranges launched during the financial year – REWE Bio + vegan and Food for Future at PENNY. Overall, PRO PLANET products have developed positively in the individual product groups and there has been an increase in the total number of PRO PLANET products in Germany. Since, however, the total purchasing volume of all product groups also increased in 2021 due to the corona pandemic, the percentage of PRO PLANET products in the purchasing volume of private label products at REWE and PENNY in Germany for the financial year is at the same level as the previous year at nine per cent. At toom Baumarkt DIY stores, both the number and the percentage of PRO PLANET products in the purchasing volume of private label products remained at a constant level.

PRO PLANET products in Germany

	2019	2020	2021
Number of PRO PLANET products at REWE and PENNY in Germany	933	1,266	1,373
Percentage of PRO PLANET products in the purchasing volume of private label products at REWE and PENNY in Germany ¹	10%	9%	9%
Number of PRO PLANET products at toom Baumarkt DIY stores in Germany ²	699	844	884
Percentage of PRO PLANET products in the purchasing volume of private label products at toom Baumarkt DIY stores in Germany ^{1; 2}	4%	5%	6%

¹ The purchasing volume is the number of sales units of purchased private label products.

² 102-48: There are deviations in the key figures for 2019 and 2020 compared to the previous year's reports due to a retrospectively adjusted collection method.



GRI FP10

Animal Welfare

The keeping and use of animals play an important role in both the food retail sector and in travel and tourism. Animal products such as meat or eggs are an integral part of eating habits today – consequently, animal husbandry is a significant branch of agricultural production. In many holiday destinations, interaction with animals is also part of the local entertainment offering. In both industries, however, the animals often suffer from poor living conditions or handling which is inappropriate for the species. Current conversations in society about animal welfare show that species-appropriate keeping of animals is becoming increasingly important to consumers and holidaymakers. The stakeholders of the REWE Group also see the topic as very important for the company. The focus for them is a larger selection of animal products with excellent animal husbandry (for more information, see [Materiality Analysis](#)).

In view of the area of action of animals within the [Green Products Strategy 2030](#), the REWE Group is aiming to firmly establish animal welfare in its supply chains and promote it at the holiday destinations of DER Touristik.

Background

For the REWE Group, the respectful treatment of animals in the production of goods of animal origin is fundamental. The commercial company takes guidance here from the widespread concept of “Five Provisions and Welfare Aims”:

- positive mental experiences
- good environmental conditions
- good health
- good diet
- species-appropriate behaviour

This concept, derived from the “Five Freedoms” of the British Farm Animal Welfare Council, corresponds to the current state of science and provides for extensions in the event of new findings.

Management approach

Principles

In its Guidelines on Sustainable Business Practices, the REWE Group has committed itself to complying with and improving animal welfare standards and to expanding animal welfare in animal husbandry. In order to fulfil this obligation, the REWE Group published its updated Guideline on Animal Welfare, in 2022. They supersede the Mission Statement on Animal Husbandry of the Future from 2015 and the previous guidelines from 2019. They document husbandry at the REWE Group with regards to animal welfare for the private labels sold at REWE and PENNY in Germany. The guideline defines an overall strategy and its implementation through goals, measures and requirements. The REWE Group is aware that the production of goods of animal origin also has effects on people and the environment. In its guideline, the Group places the focus on animal welfare – and highlights the various challenges in this regard which need to be reconciled in animal husbandry, from rearing through to the consumers. The Guideline on Animal Welfare defines a binding operational framework for the REWE Group and its business relationships with contract partners. In 2016, the REWE Group in Austria published its own Guideline on Animal Welfare, which presents the main measures and areas of action for Austria.

Implementation

In 2020, the REWE Group realigned its animal welfare strategy. The three principles of “Eliminate”, “Adapt” and “Expand” form the framework of the animal welfare strategy. For example, a lack of usability or long transport routes should be eliminated in the supply chains and husbandry conditions should be adapted to the needs of the animals – through more space and run-out areas, more activities or through fewer interventions on the animal. Also, for instance, regional production should be expanded.

Goals

The REWE Group has set itself a strategic objective in relation to animal welfare: By 2030, the company wants to establish greater animal welfare in those supply chains which include products of animal origin for the private labels at PENNY and REWE. In addition, the REWE Group has formulated subgoals for the private label product range (see Step 2 in the strategy process below).

Strategy process

Similar to the approach for more responsible supply chains, the REWE Group pursues a four-stage process in its animal welfare strategy, in close coordination with suppliers: Risk and Hot Spot Analysis, Derivation of Focal Points and Goals, Implementation through Measures and Requirements, Monitoring and Reporting.

Step 1: As part of an extensive risk and hot spot analysis, both external and internal factors were taken into consideration, and the hot spots – that is, the main social and environmental challenges – were investigated. These were supplemented by stakeholder surveys and trend evaluations such as, for example, consideration of the current

political situation. In addition, experts were brought in and analyses performed on the product range and private labels.

Step 2: Through the analysis, six focus animal species (chicken, turkey, pig, cattle, dairy cow and laying hen) and eight focus product groups (poultry, pork, beef, sausage, cheese, milk, dairy products and eggs) were identified as being significant. These are where the REWE Group can achieve the biggest possible impact in the area of animal welfare. In order to achieve the strategic goal regarding animal welfare, specific focus subject areas were also defined, including animal-appropriate husbandry, origin and appreciation for life. Subgoals were subsequently formulated for the private label product range. With these goals, the company is focusing on issues such as the improvement of husbandry conditions, as it will be repeatedly moving to higher husbandry levels in the years to come (see Specific measures and projects and husbandry conditions). The data for some of these subgoals was collected quantitatively for the first time in 2021. Collection of data is not possible for some of these.

KPI	2019	2020	2021	Status
100% of eggs to be produced without chick culling for the private labels of REWE in Germany by the end of 2021	-	-	100%	✓
100% of organic fresh eggs to be from the brand "Spitz & Bube" at REWE in Germany by the end of 2020	63%	100%	100%	✓
100% of processed meat products ¹ to be produced at least with husbandry level 2 in the case of the private labels of REWE and PENNY in Germany by the end of 2025	-	-	-	↻
100% of fresh meat ² (beef, pork and poultry) to be produced at least with husbandry level 2 in the case of the private labels of REWE and PENNY in Germany by the end of 2025	-	-	63%	↻
100% of fresh meat ² (beef, pork and poultry) to be produced at least with husbandry levels 3 and 4 in the case of the private labels of REWE and PENNY in Germany by the end of 2030	-	-	8,5%	↻
100% of milk to be produced at least with husbandry level 2 in the case of the private labels of REWE and PENNY in Germany by the end of 2025	-	-	-	-
100% of milk to be produced at least with husbandry levels 3 and 4 in the case of the private labels of REWE and PENNY in Germany by the end of 2030	-	-	-	-
100% of fresh milk to be sourced from Austria and Germany in the case of the private labels of REWE and PENNY in Germany by the end of 2021	-	-	100%	✓

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

¹ Sausage, including tinned, deep frozen and convenience

² Self-serve and service counters

The data for some subgoals was collected quantitatively for the first time in 2021. In the case of the goals for processed meat products and milk, it will be possible to collect data as of the next financial year.

Step 3: The strategic approach for greater animal welfare is implemented on three levels:

- Clear minimum requirements are defined for suppliers at grassroots level. These usually go beyond the level required by law. The list of these requirements is constantly being reassessed, adapted and expanded.
- Furthermore, the REWE Group promotes animal welfare among the general public through cooperation with standards and in industry initiatives.
- In order to drive the transformation of the industry forward, the REWE Group is also constantly looking for innovative solutions which are piloted in lighthouse projects. Ideally, these projects are so successful that they can be developed among the general public in the long term. An example is “Spitz & Bube free-range eggs”, which REWE launched in 2016. The beaks of the laying hens are left in their natural form and their male counterparts are raised until they are ready for slaughter. This project marked the beginning of the development of today's “chick-culling-free” standard (for more information, see [Chick-culling-free supply chains](#)).

Step 4: The activities that we conduct are monitored and evaluated. The results of this monitoring work are then incorporated into refining the measures.

Animal welfare at DER Touristik

In order to meet the demand for animal-friendly offerings, a binding [animal welfare guideline](#) applies to the entire DER Touristik Group. It contains a comprehensive group strategy as well as an action plan with measures. By the end of 2023, the aim is to adapt the combine's entire product portfolio to established animal welfare standards – a year later than planned due to the corona pandemic and the associated travel restrictions. DER Touristik aims to protect animals from exploitation and neglect. Together with experts and industry participants, DER Touristik is working to improve animal welfare standards in tourism, make local suppliers aware of the topic, and help them to design more animal-friendly facilities. The focus is on animal species which are particularly affected by tourism activities. In order to check whether requirements are being adhered to, selected attractions are subject to external audits where certain criteria are checked based on the Global Welfare Guidance for Animals in Tourism of the British travel association ABTA. For example, elephant rides and shows have already been completely removed from the programmes of DER Touristik tour operators. In order to help suppliers improve standards for animals, DER Touristik employees, especially those of global destination agencies, also receive training on this topic.

Specific measures and projects to improve animal welfare

As described in the approach, the measures for implementation are taken on three levels and are grouped as follows:

- clear minimum requirements for suppliers
- cooperation with standards and in industry initiatives to promote animal welfare among the general public
- transformation of the industry through innovative solutions

Clear minimum requirements for suppliers:

Chick-culling-free supply chains

In 2016, the REWE Group started working to create chick-culling-free supply chains for fresh eggs in private labels, long before this practice was prohibited by law on 1st January 2022. To this end, for the past five years, REWE and PENNY have turned to the “Bruderhahn” (brother cockerel) project “Spitz & Bube” and “Herzbube” respectively, where the male chicks are reared. In 2017, the respeggt free-range eggs were introduced, where in-egg chick sexing takes place to avoid chick culling (see [In-egg chick sexing](#)). Since February 2021, these two methods have also been used for fresh eggs of the budget private label “ja!” to gradually transition to chick-culling-free eggs. Lekkerland also only sells chick-culling-free eggs through its private label “mybasics”. Therefore, the REWE Group has achieved its goal of chick-culling-free supply chains for fresh eggs in the private labels of REWE and PENNY early. Consequently, this is a clear requirement for the company's suppliers with immediate effect.

Consumers can identify chick-culling-free supply chains by the label: The entire shell egg product range of private labels, across all forms of husbandry (organic, free range and barn), bears the label “ohne Kükentöten” (chick-culling-free), whilst eggs in the budget private label “ja!” are labelled “Nein! zum Kükentöten” (no to chick culling). The company has already produced one billion chick-culling-free eggs. In addition, the REWE Group has expanded its campaign against chick culling to include the production of products that contain egg. These include, for example, the egg salad and, since February 2022, many pasta products of the private label REWE Beste Wahl. The REWE Group is also engaged in the topic of dual-purpose breeds. Here the animals are not only bred for one trait, but rather are used, for example, for both egg and meat production.

Elimination of eggs from caged hens

The husbandry conditions of caged laying hens are not acceptable to the REWE Group. In 2010, the REWE Group in Germany started to sell only barn and free-range private label eggs which meet the requirements of the Verein für kontrollierte alternative Tierhaltungsformen e. V. (KAT) (association for controlled alternative types of animal husbandry). This was followed in 2012 by the decision to also avoid the use of eggs from caged hens or small group husbandry for processed products in Germany. By 2025 at the latest, the aim is to also stop selling eggs from caged hens in all foreign retail companies.

Husbandry requirements implemented for buffaloes

In order to produce mozzarella from buffalo milk, a cow needs to bring one calf into the world every year. Around half of these calves are male. Since they do not produce any milk and their meat is not popular amongst consumers, there is little interest in raising them and the animals are not given sufficient food and space. Animal welfare organisations are increasingly drawing attention to the resulting problems and animal welfare violations. In order to counter this, the REWE Group has contractually obliged its suppliers to comply with the minimum requirements for buffalo husbandry according to the standards of the animal welfare organisation FOUR PAWS. These go beyond legal requirements in that, for example, access to mud baths or water spray systems is stipulated.

No use of monkeys for coconut harvest

The general quality guidelines of Quality Assurance at the REWE Group state that no animals may be used for the harvest of coconuts for private label food products – this applies both to coconut milk private labels of the REWE

Group as well as to private labels which use coconut constituents in further processing. The general quality guidelines form the basis for all supplier agreements of the REWE Group and are binding.

Cooperation with standards and in industry initiatives to promote animal welfare among the general public:

Improvement of industry-wide animal welfare standards: Initiative Tierwohl

As a founding member of the Initiative Tierwohl (ITW), the REWE Group is committed to improving industry-wide animal welfare standards. Through this alliance launched in 2015, partners from agriculture, the meat industry, food retail and catering acknowledge their joint responsibility when it comes to animal husbandry, animal health and animal welfare in livestock farming. The ITW helps farmers to implement measures for the welfare of their livestock which go beyond legal standards. Through the participation of more than 10,200 farms, 647 million pigs, chickens and turkeys benefit from improved husbandry conditions each year. All farms in the Initiative Tierwohl are inspected annually through a regular audit and an unannounced audit. Any farms which violate the requirements of the ITW are rigorously sanctioned. With the 2021-2023 programme, the ITW is already in the third phase of the programme. Since its launch, participating food retailers have jointly invested over 645 million euros in the welfare of pigs, chickens and turkeys. At the start of 2021, massive additional investments were also agreed for pig farmers: In order to enable all interested farmers to participate in the ITW, participating companies in the food retail sector are now providing around 135 million euros for piglet producers in a fund for 2021 to 2023 rather than around 75 million euros as planned. In addition to the market price, the piglet farmers also receive an animal welfare premium from this fund for each piglet. In 2022, the ITW will expand to cattle.

Since 2019, as part of the initiative, the REWE Group has also been promoting animal welfare among the general public through the four-level industry labelling for husbandry levels 1 to 4. The system also provides transparency about added animal welfare value and helps consumers to make conscious purchasing decisions. The labelling is currently available the following animal species: chicken, turkey, pig, cattle, dairy cow, duck and rabbit. Since the start of 2022, the REWE Group has been gradually introducing the husbandry levels to milk and dairy products (see [“Strategy Development, Step 2”](#)).

The husbandry levels

- **Level 1: Indoor Housing**

This type of husbandry corresponds to the legal requirements, the QS standard or a comparable one.

- **Level 2: Indoor Housing Plus**

The animals are kept with higher animal welfare standards such as, for example, at least 10 per cent more living space and additional items to keep them stimulated. The criteria for Level 2 correspond to the requirements of the Initiative Tierwohl.

- **Level 3: Outdoor Climate**

This type of husbandry offers the animals benefits such as even more space and contact with fresh air.

- **Level 4: Premium**

The animals have even more space and must have run-out areas. Meat is classified as being organic at this level.

In March 2022, the REWE Group and the Albert Schweitzer Foundation for Our Contemporaries concluded their negotiations on the European Chicken Commitment. The common goal is to establish higher minimum standards in the European poultry market. The REWE Group has committed itself to a specific action plan without even joining the initiative. Thus, from 2030, husbandry level 3 is to be the minimum standard in the entire fresh meat product range of the REWE Group for chickens, pigs, turkeys and cattle alike. The REWE Group is also committed to implementing the requirements of the European Chicken Commitment into the Initiative Tierwohl. The REWE Group wants to use its influence here and actively promote this within the industry. Furthermore, the REWE Group is committed to a long-term and sustainable strengthening of agriculture in Germany.

Regional programmes

With the help of various regional programmes throughout Germany, the REWE Group wants to promote and maintain regional structures as well as ensure better animal welfare through short transport routes and improved husbandry systems. Central to this are fair, cooperative partnerships and close communication with farmers. Against this background, the REWE Group is currently implementing 19 regional programmes with added animal welfare value for pigs, cattle and chickens. For example, under the brand “Strohwohl”, the REWE sales line offers meat from pigs in North Rhine-Westphalia, which were mostly kept on straw. Rearing and fattening take place in modern family-run farms according to the latest standards. The animals have double the amount of space as required by law and are given non-genetically modified feed. In addition, no reserve antibiotics are used. And, under the brand “FairMast”, meat from German chickens is offered which are kept in animal-appropriate living spaces with more room than in other forms of husbandry. They are kept in accordance with the standards of the European Chicken Commitment and meat products bear the label “Für Mehr Tierschutz” (For more animal welfare) from the German Animal Welfare Federation.

Consumer milk: “Du bist hier der Chef” (You are the boss here)

In 2020, the consumer initiative “Du bist hier der Chef” (You are the Boss Here) conducted a survey to find out which characteristics are particularly important for the product milk. The resulting Consumer Milk is available in the around 250 REWE stores in the Region “Mitte”. It offers fair compensation for the farmers, has packaging made from renewable raw materials, and is produced by organic farms. The cows are given regionally produced feed and spend at least four months of the year on grazing land.

Species-appropriate keeping of quails: “free to fly”

In Germany, there are no minimum requirements for the husbandry conditions of quails for egg production. For their private labels, the REWE and PENNY sales lines only use quail eggs from the “free to fly” type of husbandry. With this, the quails enjoy a run modelled on their natural habitat, where they can peck, scratch, sandbathe and fly freely. The feed is free of genetically modified substances. In addition, this standard bans beak treatments and unnecessary live animal transport over more than 50 kilometres, and stipulates that day-old male chicks should be reared.

Better standards with “Fair zum Tier” (Fair to the animal)

Under the label “Fair zum Tier” (Fair to the Animal), the REWE Group in Austria offers meat and dairy products as well as eggs, which come from conventional animal husbandry. The higher animal welfare standards concern husbandry, transport and slaughter, and are well above the legal requirements. In the area of pig breeding, for example, converted or newly built stalls are being used since the guidelines prescribe a ban on fully-slatted floors, more space, and access to the outside. In addition, interventions on piglets such as castration may not be performed without prior pain elimination, anaesthesia and pain aftercare. The docking of tails is banned. All animals under “Fair zum Tier” are fed with genetically unmodified feed which is sourced primarily from Austria. Compliance with standards is checked annually.

Transformation of the industry through innovative solutions:

Rearing male chicks

Free-range eggs have been sold under the exclusive brand “Spitz & Bube” in all participating REWE stores across Germany since July 2017, while fresh barn eggs have been sold since 2018. With this brand, the beaks of the laying hens are left in their natural form and their male counterparts are raised. Since the end of 2020, all organic eggs sold by the REWE sales line have been produced from operations where the “brother cockerels” are raised. This ensures that male chicks are no longer culled for REWE organic eggs. Furthermore, the REWE Beste Wahl product range includes chicken fricassee meat from the project “Spitz & Bube”. At the start of 2017, with the brand HERZBUBE, PENNY was the first discounter in Germany to introduce fresh barn eggs across the country, where non-debeaked laying hens are kept and the male chicks are reared.

In-egg chick sexing

Using the SELEGGT process, it is possible to eliminate the culling of male chicks of laying hen breeds. The use of new technology enables the sex of the chick to be determined in the hatching egg: In the SELEGGT process, a laser is used to burn a hole of no more than 0.3 millimetre into the shell of a hatching egg in order to withdraw a drop of allantoic fluid to determine the sex. The inner portion of the hatching egg remains undisturbed. The fluid is then analysed and the hatching eggs can be sorted by sex. Only the female hatching eggs are incubated further. Once they have hatched, these laying hens lay the so-called respeggt “chick-culling-free” eggs. The male hatching eggs are turned into a high-quality feed.

The basic research for the SELEGGT process was developed by the University of Leipzig. In order to create a practical set-up, the REWE Group teamed up with a Dutch technology company to form the joint adventure respeggt. In addition to sexing, it also conducts supply chain certification, thereby guaranteeing the added “chick-culling-free” value for customers.

Since the start of 2020, customers have been able to buy respeggt free-range eggs at all of the approximately 5,900 REWE and PENNY stores in Germany. In addition, since October 2021, the REWE Beste Wahl potato salad with egg and gherkin has been available with respeggt eggs at all REWE stores. The plan is to expand this to additional products in 2022.

Promotion of an alternative breed of turkey

Poultry fattening in line with environmental guidelines brings particular challenges. For example, traditional breeds of turkey are only suitable for environmentally-friendly poultry fattening to a limited extent since their rapid growth can lead to health problems, and turkeys are not suitable for breeding their own offspring. Consequently, REWE Bio is supporting Biofino GmbH with a pioneering breeding project: By crossbreeding English free-range Auburn turkeys and a conventional hybrid breed, a new breed was bred which is characterised by its particular robustness and vitality and is highly suited to free-range rearing and feeding with organic feed. During rearing, each animal has around twelve square metres of space to move in the coop, on the open-air ground, and in the covered outdoor area. A longer period of growth is deliberately accepted. In 2021, 50 per cent of organic fresh turkey meat in the private labels of REWE and PENNY came from Biofino GmbH and thus from these turkeys. The REWE Group is aiming to switch the organic fresh turkey meat of the private label REWE Bio completely over to the new breed of turkey.

Vegan and hybrid product ranges

Since 2021, the REWE Group has been offering hybrid meat products which are made from 50% vegetables under the brand "Better half". These address those consumers who want to reduce their meat consumption without losing the classic taste. In addition, the company is supporting the dynamically growing trend of a vegan diet and has launched vegan private labels across its product groups. PENNY was the first discounter in Germany to do this, launching "Food for Future" in 2020. In 2021, the brand "REWE Bio + vegan" was introduced at REWE, where all products are also organic certified.

With its vegan private labels, the REWE Group won two prizes at the third PETA Vegan Food Awards in June 2021. The REWE sales line was selected as the "Most vegan-friendly supermarket" due to its extensive product range of vegan alternative products. The cross-product-group vegan private label at PENNY, "Food for Future", was the winner in the category "Best private label".



GRI FP10

Nutrition

Life circumstances and eating habits have changed continuously over the past decades. The traditional order of meals in the family home environment is losing importance: people are eating out more and more; food is available almost all the time and everywhere in this country. At the same time, digitalisation is changing the working environment – an increasing number of people are working at a desk and physical activity is decreasing. As a result, people today require less energy than previous generations. Since eating habits have mostly not been adapted, this has led to imbalanced diets. As one of the leading food retailers in Europe, the REWE Group has around 73 million customer contacts a week in its supermarkets and discount stores – and thus a large lever to fulfil its social responsibility in terms of a balanced food offering.

In addition to people, animals and the environment, nutrition is an area of action within the [Green Products Strategy 2030](#). The REWE Group's activities for this area of action aim to promote a diverse and healthy diet – by adapting products and raising awareness amongst consumers.

GRI Food Processing (FP): Healthy, affordable food

Management approach

Principles

With consideration of nutrition, transparent information about the nutritional values of the products and adapting the product range play significant roles. With its private label products, the REWE Group has the opportunity to contribute to a diverse and balanced diet by adapting recipes in terms of nutrients such as sugar, salt, fat or saturated fatty acids.

Implementation

All private label recipes were reviewed between 2018 and 2020. On the basis of this, more than 550 private label products have now been improved with regard to sugar and/or salt content. Therefore, the REWE Group has achieved its goal set for the end of 2020 of improving half of the recipes of relevant products. No alternative sweeteners or salt substitutes were used. The sugar or salt content of the products has been reduced gradually so that customers slowly get used to the new taste – less sweet and less salty. It should be noted that the private label product range of the

REWE Group is constantly being revised: new products are added, others are discontinued. In light of this, the number of products in the range and its composition are not static. One of the first products was the REWE Beste Wahl chocolate pudding, where consumers were involved in deciding the reduced sugar content at the start of 2018. As a result, the pudding with 30 per cent less sugar than in the standard recipe was added to the product range. At the beginning of 2019, REWE customers were also involved in agreeing the sugar content of the product REWE Deine Wahl Triple Choc Granola and chose between three levels. With 61 per cent of the votes, it was also the product with 30 per cent less sugar which was chosen here and then put into stores. In the future too, the REWE Group plans to use the Nutri-Score to further improve private label recipes in terms of their sugar and/or salt content.

Clear labelling with the Nutri-Score

The Nutri-Score is nutritional information labelling which assesses ingredients such as calories, protein and fat as well as the share of fruit and vegetables in a food product and determines a value on the basis of these properties. The scale ranges from A (green) to E (red). A representative survey of the Federal Ministry of Food and Agriculture conducted in 2019 revealed that the majority of consumers are in favour of labelling food with this Nutri-Score – because it is the most helpful and the easiest to understand. In order to help its customers make conscious food choices, the REWE Group began to introduce the Nutri-Score labelling for the first private label products in 2020. It started in June 2020 with over 50 permanently listed products in PENNY's organic private label Naturgut. In 2021, REWE also introduced the Nutri-Score to private label processed foods. In total, 1,641 REWE and 1,302 PENNY products had already started the labelling process by the end of 2021. It is gradually being expanded to all private labels. See [Goals](#). From 2021, the introduction of Nutri-Score labelling at REWE was accompanied by the dietary campaign “Leichter besser essen” (Eat better more easily) which shows that it is neither complex nor expensive to consciously opt for a better diet. For more information, visit the [Nutri-Score website](#).

Goals

In 2021, the REWE Group set the goal of applying Nutri-Score labelling to all private label products of REWE and PENNY in Germany by mid-2023 in order to make progress in the area of action of nutrition visible. An intermediate goal is to reach 80 per cent by mid-2022. The goal is to continue with the improvement of sugar and salt content already achieved in private label recipes.

KPI	Status
Increase in Nutri-Score labelling for relevant* private label products at REWE and PENNY in Germany to 80% by mid-2022 and 100% by mid-2023	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

* Not relevant are mono-products, such as rice, potatoes and flour and products that do not have added sugar or salt, such as mineral water, cooking oil or vinegar.

Measures and projects to promote a balanced diet

Through a variety of projects, the REWE Group is working to promote a balanced diet. In addition to adapting the product range, raising awareness amongst consumers and providing them with information for a healthy and balanced diet are also the focus of activities by the REWE Group.

Commitment to educational campaign on healthy nutrition and exercise

As a charter member and former member of the Management Board of the group “5 am Tag” (5 a Day), the REWE Group encourages efforts to boost consumption of fruit and vegetables to five portions a day and to promote healthy diets for children. Together with other sponsors, including the German Nutrition Society (DGE), the company has been involved in encouraging people to eat more fruit and vegetables since 2000.

Promoting a healthy diet for children

In some regions of Germany, the REWE sales line is supporting nutrition workshops carried out by the provider expika. The workshops are designed to motivate children in day-care centres and to help them to playfully learn about healthy diets. For this purpose, digital media is also used during the daily training course. Nutrition workshops supported by the REWE Group are already in their twelfth year. Due to the corona pandemic, only 432 workshops took place during the financial year for approximately 8,600 children.

The Power Kiste (Power Box) for a healthy start to the day

With the food bank group Tafel Deutschland e. V. and other partners, REWE provides participating schools with Power Boxes that contain an alternating range of foods selected by dietary experts to be used in preparing breakfast in the classroom. This enables children to get their day off to a healthy start. In 2021, 23 schools and over 1,400 children were receiving the boxes from Monday to Friday. In this way, more than 122,000 meals were provided in the 2020/21 school year. Due to school closures caused by the pandemic, the project had to be temporarily suspended.

11 additional schools are taking part in the “Power Kiste Light” (Power Box Light) project, in which they receive breakfast items offered by the REWE delivery service. Almost 15,000 children have received over 1.8 million breakfasts since the start of the project in 2009. The project is supported with donations from brands such as Chiquita, Danone, Ehrmann, FrieslandCampina, Mondelez, Nestlé, Unilever, Zentis, Henkel, Rügenwalder Mühle and Eurogroup (part of the REWE Group).

Targeted promotion of conscious diets amongst customers

In order to achieve long-term success, it is essential to increase consumers' knowledge of how to maintain a healthy and balanced diet. The REWE Group uses its websites for this purpose. Here the company offers practical information about its private label products, their recipes, and the requirements for a balanced diet.

In order to provide its consumers with comprehensive information, the REWE sales line developed the campaign “Schon bewusst?” (Already conscious?) at the start of 2020, which was also continued in 2021. In addition to topics such as animal welfare and carbon dioxide emissions, focus was also placed on the importance of a healthy and varied diet. The campaign included presenting alternatives to products containing meat or sugar, providing tips on how to lead a healthy lifestyle, and explaining nutrients and ingredients.

In addition, the sales line offers a wide range of recipes for a balanced diet in the online recipe database REWE Deine Küche (REWE Your Kitchen). In addition to reduced-sugar, vegetarian and vegan cooking inspirations, consumers can learn about seasonal and conscious nutrition, food intolerances and the Nutri-Score. Many recipes also contain the ErnährWert value, which enables consumers to see at a glance how well the recipe meets the current recommendations of the German Nutrition Society. The calculation of the ErnährWert value takes the nutrients of a dish into consideration. These include all ingredients as well as differences resulting from the respective methods of preparation. Using a scale from one to ten, consumers are able to see how balanced a recipe is. The nutrition encyclopaedia also gives answers to questions about ingredients and additives as well as information on fats and oils.

For further information, see [Projects and Funding](#).



GRI 301

Packaging

Packaging is part of our everyday life. It fulfils many important functions: to keep food fresh, protect it and enable its transportation. It also provides space for important information. However, many negative environmental effects arise along the packaging value chain. For example, the production of packaging requires the use of natural resources, consumes energy and creates emissions. If packaging waste is incorrectly disposed of and does not reach the recycling plant, it ends up in an incinerator. If it is not properly disposed of, it ends up in nature. The stakeholders of the REWE Group see packaging as a very important issue for the company (for more information, see [Materiality Analysis](#)).

The area of packaging plays a special role in the focus issue of the [Circular Economy](#) which, in addition to [Climate](#) and [Biodiversity](#) is anchored in the area of action of the environment within the [Green Products Strategy 2030](#).

GRI 301: Materials

Management approach

Principles

In its [Guidelines on Sustainable Business Practices](#), the REWE Group has committed itself to the efficient use of the natural resources soil, air and water as well as of raw materials and fuels. As part of this effort, the REWE Group optimises the use of relevant resources in its business processes and takes product- and raw-material-related measures aimed at both the upstream and downstream links in the value chain. ✓

The REWE Group is aware that resources are used and waste package is produced due to the packaging of its private label products. Consequently, the company takes numerous measures to reduce the impacts of its business model and promote the circular economy (some of these are described in [Measures for more environmentally friendly packaging](#)). During this process, the REWE Group focuses on the sales and service packaging of its private labels. Within this area of application, it has defined goals which vary depending on the sales line. ✓

Binding operational framework

In order to make sales and service packaging more environmentally friendly, the REWE Group has created a [Guideline on More Environmentally Friendly Packaging](#). It defines a binding operational framework for the REWE Group and its contract partners and describes which factors have fundamentally positive (dos) and negative (don'ts) effects on the environmental friendliness of a particular packaging. ✓

In addition to this, the REWE Group published the [Guideline on Circular Economy](#) in 2021. It provides the basis for gradually anchoring the circular economy in the value chain of products. For the REWE Group, the circular economy is a meaningful approach towards conserving resources, protecting the environment and combating climate change. For further information, also see [Circular Economy](#). ✓

Strategy process

Since packaging consumes considerable amounts of resources, the trade group has developed a comprehensive approach to ensuring more environmentally friendly packaging. To achieve this, the REWE Group worked closely with key stakeholders – from purchasing departments and selected NGOs through to experts in packaging design. ✓

Data analysis was carried out first in order to develop the approach. Significant impacts and determining factors were then identified on the basis of this. The approach was then defined through goals and measures. The effectiveness of the management approach is put to the test, assessed and, if necessary, further developed each year as part of a stakeholder review process and the sustainability strategy day. There were no changes to the principles of the management approach in the reporting period. However, subgoals, for example in the area of recycled material, have been added. In addition, an overall strategy for the topic of circular economy was adopted (see [Circular Economy](#)). ✓

Responsibility

The Sustainable Products department is strategically responsible for the topic of packaging and enables the combine to implement adopted strategies and measures. The topic is handled and advanced by a dedicated team within the department. When it comes to implementation for an individual product, Purchasing and Category Management are responsible for ensuring that packaging goals are implemented in day-to-day operations. ✓

Goals

In order to make progress measurable in the area of packaging, the REWE Group has defined the following key performance indicator (KPI) with associated objective, which relates not to a particular reference year, but rather to the status quo of each individual packaging for private labels. The status quo is measured using criteria which the REWE Group has defined for more environmentally friendly packaging (see [Implementation](#)): ✓

Goal	Status
100% more environmentally friendly private label packaging by the end of 2030 ¹	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ This goal applies to the REWE Group in Germany (REWE, PENNY, toom Baumarkt DIY stores) and, since 2019, also to the international sales lines (BILLA, BILLA PLUS, PENNY and ADEG).

In order to achieve the desired percentage of more environmentally friendly private label packaging of 100 per cent by the end of 2030, the REWE Group has set numerous subgoals in the area of packaging which are also subject to a continuous progress review. The data for some of these subgoals was collected quantitatively for the first time in 2021. Collection of data on the share of recyclable plastic packaging is not possible. Due to a lack of data transparency, it is also not possible to make any statements regarding goal achievement for paper packaging. The subgoals for REWE and PENNY in Germany are: ✓

Goals	2019	2020	2021	Status
100% of PET private label packaging in the area of washing and cleaning agents to be made from recycled material by the end of 2021 ¹	-	-	95%	✗
An average of 50% recycled material in PET single-use drink bottles for private labels by the end of 2023 ²	-	-	38%	↻
Reduction of the share of plastic in private label packaging of 20% by the end of 2025 compared with 2015	-	-	22%	✓
100% recyclable plastic private label packaging by the end of 2025	-	-	-	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ Wherever possible, the REWE Group strives for 20 per cent recycled material sourced from Germany's "Gelber Sack" (Yellow Bag) programme, in which plastic rubbish is collected from private households in the country.

² This is an objective which was adjusted during the financial year. It became apparent that the REWE Group would already achieve the previous goal of 25 per cent recycled material in 2021.

The data for some of these subgoals was collected quantitatively for the first time in 2021. Collection of data on the share of recyclable plastic packaging is not possible. Due to a lack of data transparency, it is also not possible to make any statements regarding goal achievement for paper packaging.

Goals	2019	2020	2021	Status
100% certified paper packaging at REWE and PENNY in Germany by the end of 2020	-	-	-	-

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ Wherever possible, the REWE Group strives for 20 per cent recycled material sourced from Germany's "Gelber Sack" (Yellow Bag) programme, in which plastic rubbish is collected from private households in the country.

² This is an objective which was adjusted during the financial year. It became apparent that the REWE Group would already achieve the previous goal of 25 per cent recycled material in 2021.

The data for some of these subgoals was collected quantitatively for the first time in 2021. Collection of data on the share of recyclable plastic packaging is not possible. Due to a lack of data transparency, it is also not possible to make any statements regarding goal achievement for paper packaging.

Implementation

"More environmentally friendly packaging" is such which has the least possible impact on the environment. To achieve this, packaging is to be avoided, reduced or improved in terms of its environmental effects wherever possible. These principles are to be applied in the order indicated here – the packaging which is best from an environmental standpoint is therefore packaging which can be completely avoided. ✓



100 %
more environmentally
friendly private label
packaging by
the end of 2030

Goal

Principles



Avoid



Reduce



Improve

Criteria

Use of reusable alternatives

Reduction of material usage

Promotion of recyclability

Use of secondary
raw materials

Use of alternative material

Use of certified
raw materials

Six criteria for more environmentally friendly packaging

In order to reduce the negative environmental impact of a particular packaging, the following six criteria are used as determining factors:

- Use of reusable alternatives
- Reduction of material usage
- Promotion of recyclability
- Use of secondary raw materials
- Use of alternative materials
- Use of certified raw materials ✓

Packaging to which the criteria are applied also ideally has a better result when undergoing a life cycle assessment. The REWE Group views life cycle assessments as a helpful tool for evaluating the environmental friendliness of packaging, for example in the event of a material change. ✓

Each optimisation of a particular packaging or packaging component according to the criteria has a positive environmental impact in principle and contributes to the goal of achieving “100 per cent more environmentally friendly private label packaging”. Packaging should always be optimised or reduced as comprehensively as possible. Packaging is constantly reviewed and continuously optimised on the basis of the current state of research and the latest developments. ✓

The REWE Group uses three corresponding seals on products which have more environmentally friendly packaging to ensure transparency. The labels enable customers to see at glance on an increasing number of products which measures have already been implemented to optimise the packaging, such as reduced material usage, use of secondary raw materials or use of alternative materials. ✓



Reduced material usage

This seal identifies packaging where the amount of material has been reduced – for example, by reducing the packaging volume or material thickness.

Use of secondary raw materials

This seal identifies packaging which has been optimised through the use of recycled materials (at least 25 per cent) instead of primary material.

Use of alternative materials

This seal identifies packaging which has been improved through the use of alternative materials such as, for example, grass paper.

**The percentages on individual packaging may vary.*

In addition, disposal instructions have also been developed for packaging at REWE, PENNY and toom since 2021. This information is intended to help consumers correctly separate and dispose of the particular product packaging. The aim is to gradually apply these instructions to the majority of packaging during the course of 2022. ✓

Systematic integration into purchasing processes

The approach for more environmentally friendly packaging is being systematically integrated into purchasing processes across all product ranges. The REWE Group ensures that knowledge is transferred within the company through measures such as a permanent working group on packaging. ✓

When it comes to implementation, the REWE Group uses three pillars which build on each other:

- The trade group anchors defined requirements for more environmentally friendly packaging in its purchasing processes. In order to evaluate packaging and packaging alternatives, the REWE Group has developed tools which allow the environmental friendliness of packaging to be classified based on the requirements.
- Meetings with suppliers form the basis for cooperation, with a view to potential improvements in the environmental friendliness of packaging. Suppliers are also required to implement and comply with the strategy at various points. This varies depending on the product area: For example, suppliers must actively take note of dos and don'ts during the listing process, subgoals are fixed in writing in framework agreements, or guidelines are communicated to suppliers via the Supplier Portal.

- Innovation products lead to the development of new packaging concepts, through involvement in research products and industry initiatives or through cooperation with partners from the supply chain or start-ups, for example. These concepts may include, for instance, the use of alternative raw materials or the avoidance of packaging through innovative technology. ✓

Complaint process

Consumers can submit complaints or comments regarding private label packaging of the REWE Group via the standard customer hotlines. These queries are forwarded internally to the respective specialist department or even to the purchaser if the matter relates to a specific product. Responses are coordinated internally and feedback is provided through customer service. ✓

Suppliers can also get in touch with the REWE Supplier Portal using an email address. ✓

Special award for packaging

The REWE Group, in collaboration with the German Sustainability Award Foundation (Stiftung Deutscher Nachhaltigkeitspreis e. V.), awarded the German Sustainability Award in the packaging category for the third time during the financial year. The competition focused on concepts and ideas which reduce, optimise or avoid packaging, remain affordable in the mass market, and meet consumer needs to the greatest extent possible in terms of hygiene, information and convenience. The winner was Büttenpapierfabrik Gmund GmbH & Co. KG with its packaging paper made completely from hemp fibre.

Measures for more environmentally friendly packaging

The REWE Group is implementing a wide range of measures to make its packaging more environmentally friendly and optimise the use of resources. Measures and activities are divided according to the three principles “avoid, reduce, improve”.

The REWE Group is working hard to avoid packaging:

Discontinuation of plastic bags

To set an example regarding the reduction of plastic waste, the REWE Group has discontinued plastic bags at its sales lines well before the legal ban in Germany (January 1st, 2022) and Austria (January 1st, 2020):

- Germany: REWE (2016), PENNY (2017), DER Touristik travel agencies (2017), toom Baumarkt DIY stores (2018) and Lekkerland (2020) – the last plastic bag in the food service area has now been replaced by a bag for life.
- Austria: BILLA, BILLA Plus, PENNY, BIPA and ADEG (2017)

“Away From Plastic”

The REWE Group in Austria is working to reduce plastic on the shelves of BILLA, BILLA Plus, PENNY and ADEG through the “Away From Plastic” initiative. For example, Echt B!O, the private label of PENNY Austria, has sold blood oranges in cotton nets since 2018. Some fruits and vegetables are sold without packaging, including squashes and courgettes. In addition, the entire product range of organic fruit and vegetables in Austria has only been sold loose without packaging or in more environmentally friendly packaging since the end of 2019. In 2020 and 2021, the organic milk and yoghurts of the private label Ja! Natürlich were switched to reusable glass containers. Since the start of packaging optimisations in 2011, 1,110 tonnes of plastic have already been saved with the private label Ja! Natürlich alone.

Reusable nets in the area of fruit and vegetables

At the end of 2017, the REWE Group started to look at how to reduce the amount of plastic fruit and vegetable bags (“knot bags”) used: customers could purchase reusable fresh food nets from participating REWE test stores and bring them to transport fruit and vegetables on each shopping trip. It was also pointed out that fruit and vegetables with a natural protective outer layer can also be transported without any packaging at all. In October 2018, REWE was the first major food retailer in Germany to introduce these reusable fresh food nets nationwide. PENNY followed in 2019 with the nationwide introduction of cotton nets. In Austria too, the REWE Group was the first retailer to offer reusable fresh food nets back in 2018 – to transport unpackaged fruit and vegetables in manner which ensured the conservation of resources. The REWE Group in Austria received the WorldStar Packaging Award for this in 2020.

Natural branding instead of packaging

Since March 2017, REWE has been using “natural branding”: logos and information are applied directly to the outer skin of sweet potatoes by laser. Only pigments in the outermost layer of skin are removed. The labelling only takes place on the surface, is completely contactless and has no influence on taste, quality or shelf life. This makes printed

packaging to identify organic products superfluous, enabling the use of plastic, paper and metal to be reduced.

Fruit and vegetables unpackaged

The REWE and PENNY sales lines have already been offering various fruit and vegetable products without packaging for a long time – and are continuously expanding their commitment. Since April 2020, for example, REWE in Germany has been selling organic fruit and vegetables nationwide as far as possible without plastic or with improved packaging. This enabled 210 tonnes of plastic and 80 tonnes of paper to be saved in the area of organic fruit and vegetables in the rollout year compared to 2019, and these figures are expected to grow in line with the increasing sales in this product range. This step was preceded by an “unpackaged test” in 630 REWE and nahkauf stores in Baden-Württemberg, Rhineland-Palatinate and Saarland. As part of this test, plastic packaging was avoided as far as possible or more environmentally friendly packaging was used in the area of organic fruit and vegetables. The Nature and Biodiversity Conservation Union (NABU) provided support here with its expertise in an advisory capacity.

Rethinking packaging material

Another example of the avoidance of packaging material is the switchover from film packaging to adhesive tape rolls or adhesive labels for cucumbers. By avoiding the use of film packaging for cucumbers, REWE and PENNY were able to save around 170 tonnes of plastic in the financial year.

toom Baumarkt DIY stores are also working to avoid packaging material. For example, the sales line is reducing the use of plastic labels for plant products. Nine million labels had already been saved by 2021, including two million in the reporting period alone.

DER Touristik: Refillable drinking bottles rather than disposable plastic bottles

It has become more difficult to avoid single-use plastics when travelling. Since winter 2017/18, in order to reduce the amount of plastic waste in holiday regions, Go Vacation, DER Touristik’s destination agency, has been giving guests of DER Touristik tour operators (Dertour, Jahn Reisen, ITS, Meiers Weltreisen, ADAC Reisen, Travelix and Kuoni) in Indonesia refillable drinking bottles at the beginning of their trip, which they can also take home. The bottles can be filled up at all hotels on the tours and during breaks at restaurants thanks to water dispensers. Disposable plastic bottles will be completely dispensed with in the future. In Bali, guests also receive cloth bags, meaning that there is no need for plastic bags. The drinking bottles and cloth bags have been produced locally. Due to the pandemic, no tours took place during the financial year and the campaign has been paused.

Avoiding single-use plastic in tourism: “Plastic Free Balearics”

The goal of the Futouris project “Plastic Free Balearics” is to reduce the use of single-use plastic in the hotel industry or avoid it completely. By doing so, the aim is to reduce the amount of plastic waste and optimise further recycling. DER Touristik Group is taking part in this project with a hotel in Majorca. Based on the findings of a plastic hot spot analysis, measures have been implemented such as the provision of plastic-free straws, loose teas, dispensers for soap, shampoo and shower gel as well as communication measures for guests and training sessions for employees. In addition, the plastic packaging of products and food delivered is being analysed and, where possible, reduced. Due to the corona pandemic, only a few measures were implemented as part of the industry project in 2020 and 2021. However, the guidelines “Plastic-free holidays on Balearic Islands” were published. They help hotels and tourism businesses to find more sustainable alternatives to frequently used single-use plastic products such as, for example, plastic water bottles, straws or cups.

Packaging-free products at the fresh food counter

Following successful tests in March 2019 and the rollout during the following July, the REWE Group in Austria is enabling customers to bring their own containers to fill with sausage, cheese or coffee drinks at all BILLA and BILLA Plus stores. The customers bring along an empty, clean reusable box or coffee cup. The employees fill this container and attach a label. This reduces the use of packaging. Since June 2019, it has also been possible to bring along containers to almost all German REWE stores which have fresh food counters. However, this option had to be suspended during the financial year due to the corona pandemic.

Reusable systems for salad bars or take-away coffee

Working together with the start-up VYTAL, the REWE sales line was the first food retailer in Germany to offer a free reusable system for its salad bars when it was introduced to pilot stores in 2020. What is special here is that the system operates without a deposit. A VYTAL vending machine containing clean, reusable packaging stands next to the salad bar. Customers can take a bowl from the vending machine by scanning the QR code in their VYTAL customer account. The bowls can be filled as normal and paid for at the till. The bowl's tare weight is automatically subtracted. The bowl can be returned either to the returns machine at the REWE store or other VYTAL partners such as cafés and restaurants within 14 days. The deposit-free reusable system is currently being tested at five REWE stores in Cologne.

Lekkerland has been a cooperation partner of RECUP since the end of 2020. With its takeaway coffee cups, the sales line is offering a reusable alternative with a deposit system at participating sales outlets.

Reusable plant trays at toom

toom Baumarkt DIY stores use several million single-use plant trays each year to transport plants from nurseries to warehouses and stores and then onto the customers. The REWE Group's DIY chain also wants to reduce plastic waste here. As part of a pilot project in 34 stores, toom Baumarkt DIY stores have been testing a reusable alternative which provides a closed reusable material cycle since July 2021.

If it is not possible to completely avoid packaging, the REWE Group takes various measures to try to reduce the amount of material used:

Reducing packaging material

By cutting down the amount of film used for selected REWE and PENNY private label products, e.g. for breakfast bags and refuse sacks or packaging for kitchen towels and toilet paper, huge amounts of plastic have been saved in the past. In Austria too, the REWE Group is working to reduce material consumption: the BIPA sales line has been offering selected products from the bi good brand in refill bags since 2020. This measure saved up to 75 per cent packaging material compared with 2019.

Savings thanks to flow packs

Since 2020, the REWE sales line has been selling Wilhelm Brandenburg minced beef in so-called flow packs. By packaging under a protective gas atmosphere, it was possible to save around 60 per cent of plastic in the year of its introduction compared with the previous year, corresponding to around 35 tonnes per year.

Yoghurt lid as a reusable solution

Both REWE and PENNY have gradually stopped using the additional plastic lid for 500 gram pots of private label yoghurt, soy yoghurt and skyr since summer 2020. Through this measure, the two sales lines have saved around 146,000 kilograms of plastic each year. So that customers can conveniently and hygienically reseal the opened yoghurt pot, REWE and PENNY offer food-safe reusable lids. In 2021, this initiative was also introduced to PENNY Austria, BILLA, BILLA PLUS and ADEG. This enables around 50,000 kilograms of plastic to be saved each year.

If it is not possible to reduce the packaging, it is improved as far as possible in terms of environmental friendliness:

Circular economy for materials

The REWE Group is a member of the Recyclat-Initiative, an alliance of partners from a range of different industries that promotes effective recycling and practises the principle of a circular economy. Their shared goal is to develop sustainable closed loops and to use materials produced by Germany's "Gelber Sack" (Yellow Bag) programme, in which plastic rubbish is collected from private households in the country. Since 2017, for the product group "washing, cleaning, scrubbing", REWE and PENNY have been steadily switching to packaging made entirely from recycled material. Twenty per cent of this material comes from "Gelber Sack" collections. In addition, REWE and PENNY have been offering shower gel and soaps from the private label "today" in packaging made entirely from recycled material since 2019. In this case too, twenty per cent of the material comes from "Gelber Sack" collections. The use of raw materials from "Gelber Sack" collections is possible due to a special sorting technology based on laser

optics. In the future, the REWE Group wants to switch more packaging to recycled material (for more information, see [Management Approach](#)”).

Private label drink bottles made from recycled material

Many private label drink bottles from the REWE Group have long consisted of a significant proportion of recycled PET (rPET). At the start of 2019, REWE and PENNY were the first food retailers to introduce drink bottles made completely from recycled plastic – for example, the 0.75 l water bottle (still) with sports cap of the private labels PENNY Ready and REWE Beste Wahl. Since the end of 2021, all drink bottles of private labels in the convenience sector have been made entirely from rPET. For REWE Bio, the proportion of recycled material in drink bottles is 50 per cent. In addition, the bottles of Lekkerland's private label Santa Emilia and those of GoFresh juices, smoothies and shots consist of 100 per cent and 75 per cent rPET respectively.

Use of recycled plastic

Working with its suppliers and other partners, toom Baumarkt DIY stores have developed packaging made of nearly 100 per cent recycled plastic. In 2011, toom began to sell its private label paint in containers made from recycled plastic (Procyclen®). In 2021, the product range included 111 items. The carbon dioxide emissions from containers produced using recycled material are up to 50 per cent less than for packaging made of primary material. This initiative has helped toom Baumarkt DIY stores to save over 1,000 tonnes of carbon dioxide since its introduction. In 2015, the sales line also added paint trays, buckets and storage boxes made of recycled plastic to its product range and it is continuously expanding the offering of products made partly from recycled material.

In 2021, for example, the first private label products in the area of potting soil were switched to optimised packaging: the improved packaging consists of recyclable film with at least 80 per cent post-consumer recycling material (PCR). The plan for 2022 is to gradually further expand the offering of potting soils with this packaging. In July 2020, toom Baumarkt DIY stores also began to require its plant suppliers to use only recyclable cultivation pots which consist of at least 50 per cent PCR. Since the start of 2021, this proportion has increased from 70 to over 90 per cent.

bi good: Packaging with the highest possible recycled content

In 2014, the BIPA sales line in Austria introduced a new line for household and care products under the name bi good. The packaging consists exclusively of recyclable materials and has the currently maximum possible recycled content. For example, bottles (HDPE or PET) and folding boxes (paper) are produced from 100 per cent recycled material while the figure for tubes (PE) is 60 per cent.

Supporting a functioning recycling system

A functioning recycling system is essential so that packaging materials can be reused following disposal. For this, in turn, the packaging waste needs to be separated according to type. To support this process, the REWE Group has been a founding member of “Holy Grail 2.0” since 2020. The aim of the initiative is to enable a better sorting process through a digital watermark on packaging. The codes are imperceptible to the naked eye and applied to the entire packaging. They are identified in the waste sorting plant using a high-resolution camera and the packaging can be automatically sorted according to the respective data. The result: better sorting streams and thus higher quality recycled materials.

Use of alternative materials

Another approach to improving packaging is the use of grass paper. This alternative packaging material consists partly of sun-dried grass, a fast-growing raw material, and partly of wood. Currently, grass paper is being used as packaging in various areas of the product ranges at REWE and PENNY in Germany.

The REWE Group in Austria also uses grass paper. This material has been used to package herb and flower seeds as well as teas of the brand Ja! Natürlich since 2020.

At toom Baumarkt DIY stores, the packaging of beneficial-organism-friendly seeds was also switched to grass paper in 2021 – with a reduction in greenhouse gas emissions of 40 per cent per bag. The sales line began to gradually switch the composite materials of protective covers to thin kraft paper back in 2020. And since 2022, flower bulb bags made from composite material (plastic and paper) have been replaced with ones which consist exclusively of paper. This will make it much easier to recycle them in the future. For plant products which are placed in the warm storage building, toom has been gradually switching the label material from plastic to paper since 2021, thus saving 64 per cent carbon dioxide equivalent. The sticks of stick-in labels will be made from bamboo rather than plastic in the future.



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Circular Economy

In a linear economy, raw materials used to make a product are not returned to the cycle after its service life. Rather they are disposed of, mostly burnt, in the end and therefore cannot be reused. This leads to an increasing consumption of resources, which has impacts on the climate and the environment. The production of waste (for example, through packaging), including food waste, is also a problem yet to be solved when it comes to dealing with raw materials.

In addition to [climate](#) and [biodiversity](#), the circular economy is also a focus issue in the area of action of the environment within the [Green Products Strategy 2030](#). The REWE Group aims to avoid the waste of resources, reuse packaging and products, and close as many material cycles as possible through a high-quality recycling system. Packaging is a subtopic of the circular economy and is described in greater detail in [Packaging](#).

GRI 301: Materials

Management approach

Principles

In its [Guidelines on Sustainable Business Practices](#), the REWE Group has committed itself to the efficient use of the natural resources soil, air and water as well as of raw materials and fuels. As part of this effort, the REWE Group optimises the use of relevant resources in its business processes and takes product- and raw-material-related measures aimed at both the upstream and downstream links in the value chain.

In 2021, the REWE Group adopted a strategy for implementing the circular economy in the supply chains of private labels sold at REWE, PENNY and toom Baumarkt DIY stores in Germany. The strategy has been documented in the [Guideline on Circular Economy](#). It is intended to provide the basis for gradually anchoring the circular economy in the value chain of products.

The strategic principles for the circular economy, which have already been defined since 2020 for the area of packaging in the [Guideline on More Eco-Friendly Packaging](#), are therefore supplemented by a holistic approach for products and their value chains. This enables existing activities and other potential recycling projects to be

consolidated and communicated in a structured framework.

Goal

The REWE Group aims to use the circular economy to actively reduce the consumption of resources in the value chain of its products and thereby make a positive contribution to environmental and climate protection. The topic of the circular economy is being taken into consideration and further expanded in all relevant areas. Specific goals and requirements, for partners and suppliers, for example, are summarised in the [Guideline on More Eco-Friendly Packaging](#) and [Guideline on More Sustainable Textiles](#). In the area of action “vigilant approach to food” under [Projects and Sponsorships](#), the REWE Group also reports on its commitment to avoiding food waste.

Implementation

In order to implement its circular economy strategy, the REWE Group uses three principles for its measures: “Reduce, Reuse, Recycle”. By applying these principles along the life cycle of the Group's products – from raw material production to consumption – the aim is to avoid waste and ensure that resources are used as long and as often as possible.

- **Reduce:**

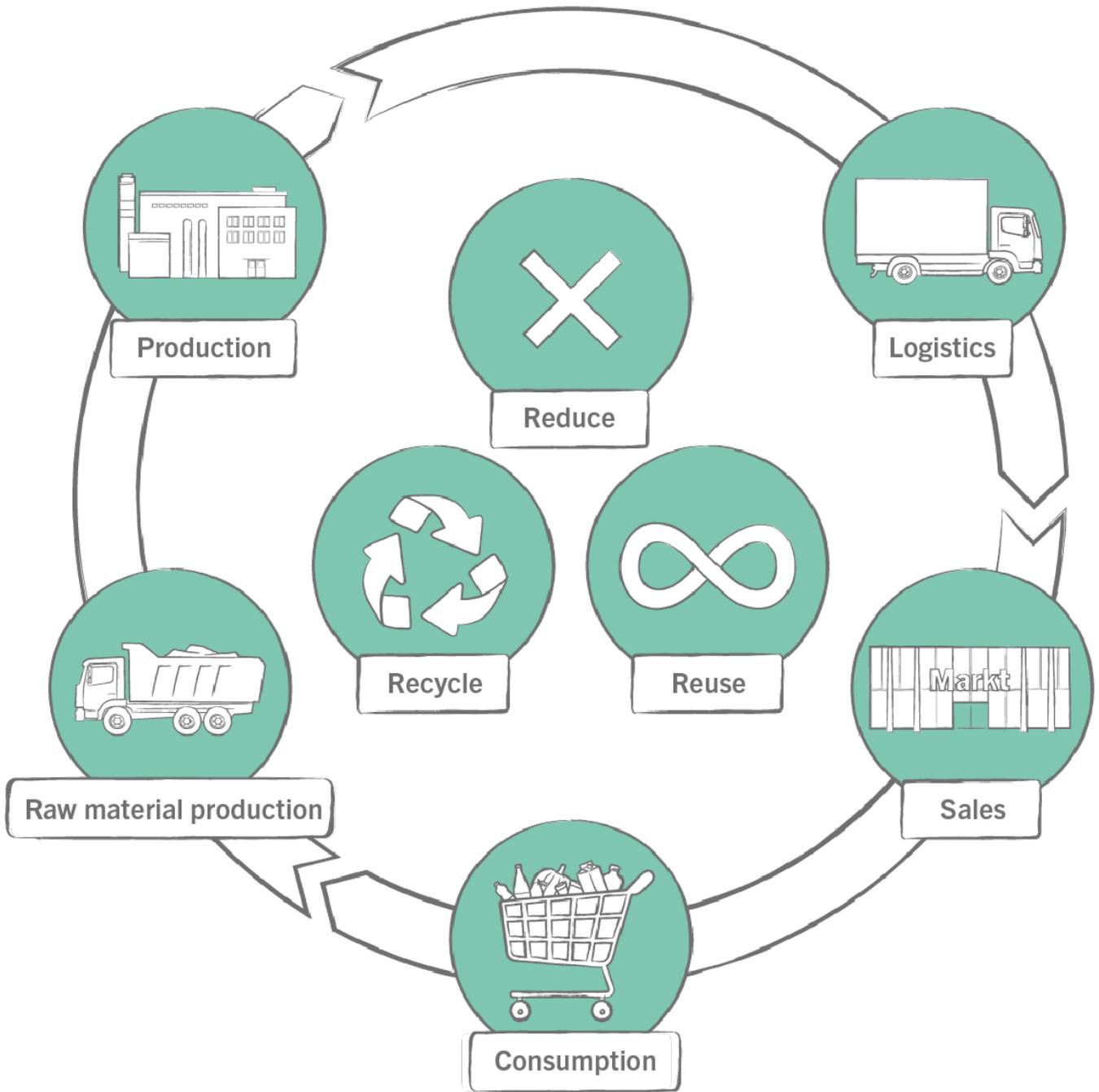
The REWE Group is committed to working with its suppliers to avoid the production of waste in the value chain of food products, as well as in cultivation and production. When it comes to producing durables and consumables, the demand for resources should be reduced and production waste minimised, where possible, for example through reduced material usage. To achieve this, processes are being further developed and production innovations created.

- **Reuse:**

In the case of durables, the quality and longevity are further developed in order to offer products with a longer useful life. In the case of consumables such as, for example, single-use household items, it should also be checked whether there are more sustainable reusable alternatives. The Group is also investigating options for offering customers products through rental or sharing models.

- **Recycle:**

Secondary raw materials such as recycled plastics or recycled paper are used where possible to produce products. In addition, the Group is continuously checking for recycling potential in its own material streams in order to identify and close new material loops. Recyclables are separated and fed to a high-quality recycling system.



Measures for implementing a circular economy

The REWE Group continuously examines potential for the further development of the circular economy within the Group. This involves investigating the use of resources and generation of waste in key supply chains in order to develop further strategic measures and goals based on this.

With regards to the company's own material streams, the company is also developing approaches to feed reusable materials along the value chain back into material loops and reduce the demand for primary resources.

In the product ranges of private labels, there should be more emphasis on products which make a positive contribution to the circular economy according to the principles of “Reduce, Reuse, Recycle”.

Finally, the principles of the circular economy are also to be integrated into purchasing processes and play a greater role in existing environmental programmes in the future.

The REWE Group has underscored its ambitions by joining the [EU Code of Conduct on Responsible Food Business and Marketing Practices](#). The code was drawn up jointly by European associations and companies, the departments of the European Commission, and with the active participation of international organisations, non-governmental organisations, unions and professional associations. In July 2021, the EU Commission presented the code as part of the European “Farm to Fork” strategy. Amongst other things, the signature of this code is enabling the REWE Group to further strengthen its efforts to reduce food waste along the value chain, in cooperation with suppliers and with its customers in mind.



GRI 303

Water

The natural resource of water is required for the production of products in the supply chain. Many products are produced in regions where water stress prevails. Since water is a vital resource and a high consumption leads to water shortages, it is important to ensure that it is used sustainably and economically.

Activities of the REWE Group in the area of water fall within the area of action of the environment in the [Green Products Strategy 2030](#) and relate to the use of water in the company's supply chains for food and non-food products. Measures relating to operational water use by the REWE Group are described in [Operational Water Consumption](#).

GRI 303: Water and effluents

Management approach

Principles

The [Guidelines on Sustainable Business Practices](#) of the REWE Group applies to all business relationships. It is based on the UN Universal Declaration of Human Rights, the conventions of the International Labour Association (ILO), and the UN Global Compact. These guidelines include, amongst other things, requirements for the economical use of soil, air, water and other natural resources. These fundamental values apply both for the company's own business processes as well as for business partners and suppliers of the REWE Group. The REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached.

In its [Guideline on Water Protection in the Supply Chain](#), published in 2020, the REWE Group summarises its measures and goals regarding the reduction of water consumption and water pollution. It defines a binding operational framework and is used to make employees and partners in the supply chain aware of the importance of economical water consumption.

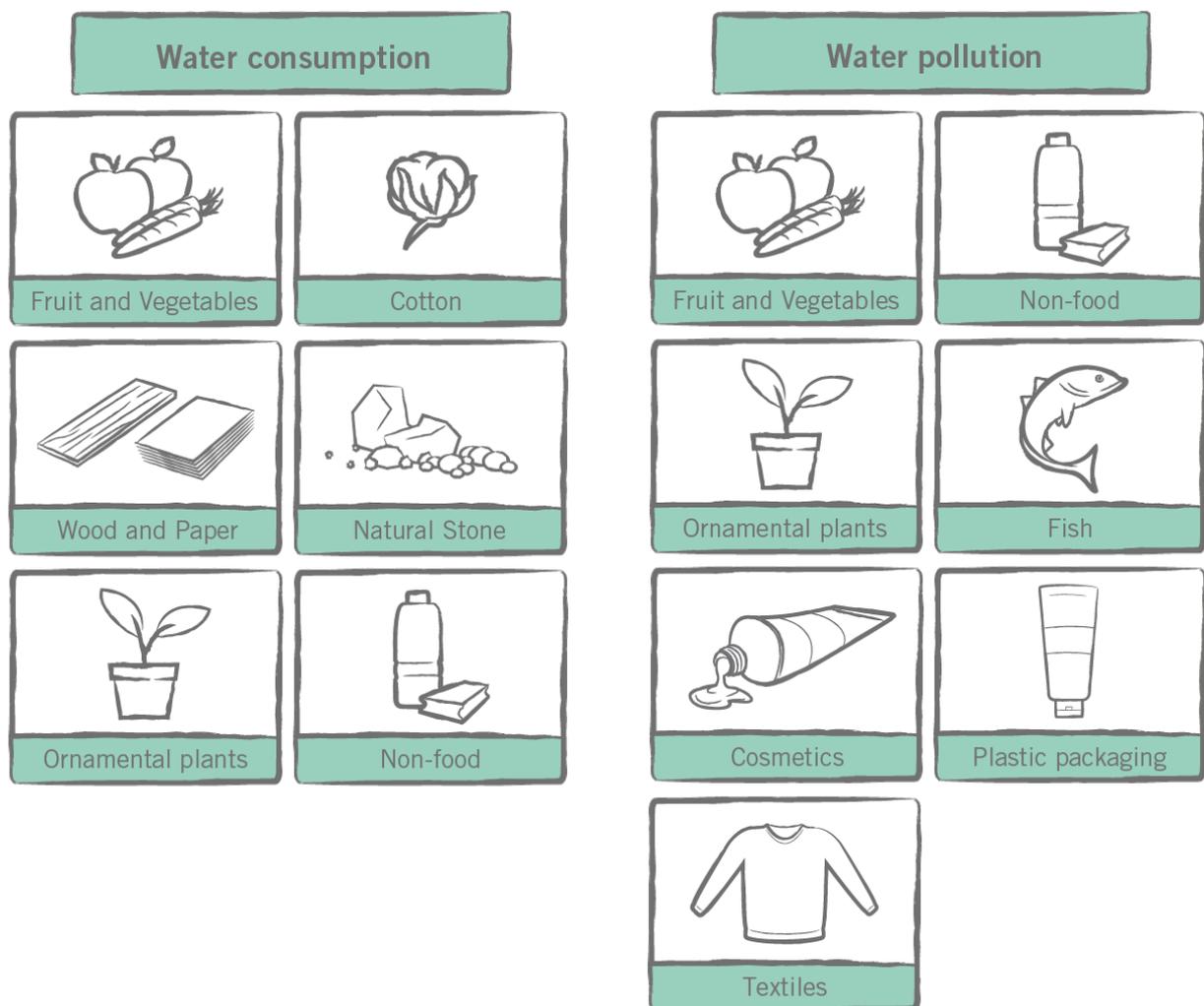
Strategy process and implementation

As part of a risk analysis conducted in 2017 as well as other individual hot spot analyses, the topics of water consumption and water pollution were identified as focus issues in the areas of raw material production and

production: Water consumption is particularly high for raw material production involving wood, cotton and natural stone as well as in the cultivation of fruit and vegetables. In addition, the production of paper, metal and plastic is associated with high and sometimes inefficient water consumption. Water pollution occurs particularly in the growing of ornamental plants, the cultivation of fruit and vegetables as well as in fish farming. In textile production too, the use of environmentally harmful chemicals pollutes bodies of water and can lead to severe environmental damage there.

Microplastics as well as dissolved, liquid and gel-like polymers pass through effluents into inland waters or oceans and therefore pose a risk to the resource of water. The situation is similar with single-use plastic and plastic packaging which can break down to form microplastics.

With water consumption and water pollution in mind, the REWE Group has defined the following focus product groups and focus raw materials:



To support the responsible consumption of water along the entire supply chain, the REWE Group pursues the overarching management approach for responsible supply chains (see [Environmental Aspects in the Supply Chain](#)).

Negative environmental impacts in the supply chain and actions taken

Through the measures it is taking, the REWE Group is striving to reduce water consumption in supply chains and increase water efficiency. In addition, the aim is to avoid water pollution and ensure effective water treatment.

Water consumption

In order to reduce water consumption in the cultivation and production of its private label products, the REWE Group works together with certification systems which oblige its producers to use water resources sustainably in their processes. These include, for example, the Rainforest Alliance, Fairtrade, Cotton made in Africa, Naturland and GLOBALG.A.P. SPRING.

As part of the REWE Group's Green Production Programme, all producers have had to show an ISO 14001 certificate since June 2020 or undergo a self-assessment which also includes providing information on water consumption. As an alternative to the ISO 14001 certificate, textile producers can also present an OEKO TEX STeP certificate or a Higg FEM Verification. Producers for strategic suppliers that have a high risk in this respect are subsequently supported in training and consulting projects to achieve water savings (for more information, see [Environmental Aspects in the Supply Chain](#)). Between 2018 and 2021, none of the 23 production sites were rated as being high risk.

Initiative for survival of the spanish world natural heritage site Doñana

In Spain's oldest national park and UNESCO World Natural Heritage site, the wetlands of Doñana, currently unapproved areas are being used to cultivate strawberries and other berries and are being irrigated with over 1,000 illegal wells. The Court of Justice of the European Union (CJEU) condemned Spain in this regard following legal action in June 2021 by the WWF over excessive extraction of groundwater. Despite this, the Andalusian government plans to legalise this agricultural use of 1,900 hectares in the region of Huelva. The European Commission, international organisations (UNESCO, Ramsar and IUCN), scientists, environmental groups and the Spanish government also oppose these plans.

Therefore, on World Water Day in March 2022, the WWF launched an initiative for the survival of the Spanish World Natural Heritage site of Doñana and asked the Regional Government of Andalusia to stop the damage to the World Natural Heritage site caused by fruit growing. The REWE Group has signed the letter. Food retailers from Germany also involved are Aldi Nord, Aldi Süd, EDEKA, Kaufland, Lidl and Netto Marken-Discount. Germany is the most important customer country for early strawberries from the region. The UNESCO World Natural Heritage site of Doñana has been protected since 1969. This illegal use threatens the habitat of migratory birds and rare animal species such as the Iberian lynx.

Water pollution

The REWE Group's Green Production Programme also helps to reduce water pollution: For example, producers for selected suppliers are receiving support with their effluents management through training and advice. This includes the analysis of existing potential for improvement, measures to reduce hazardous substances in effluents, and progress measurements. Also on the subject of water pollution, no risk, and therefore no need for training and advice, was identified between 2018 and 2021.

In order to counteract water pollution in its textile supply chains, the REWE Group has set up a Detox Programme for clothing, shoes and home textiles in its private labels. Within the scope of this programme, water pollution caused by chemicals will be specifically reduced (for more information, see [Environmental Aspects in the Supply Chain](#)).

In addition, the REWE Group is setting requirements for the use of pesticides during the cultivation of fresh fruit and vegetables as well as in the growing of ornamental plants, which go far beyond statutory requirements. According to these stipulations, critical substance classes may not be used here. In addition, the REWE Group is limiting the sum of all pesticide residues in the growing of fruit and vegetables. By doing so, the aim is to avoid negative additive effects which can result from the use of different active ingredients. In addition, a limitation of the “acute reference dose” is also prescribed – an amount of active ingredient defined by the World Health Organisation which a human can consume without risk in a day. Moreover, suppliers of fruit and vegetables to the REWE Group must adhere to specific nitrate levels. As part of central chemical residue monitoring, the REWE Group regularly checks for compliance with these requirements.

When it comes to water protection, the REWE Group also works together with certification organisations such as the Rainforest Alliance, QS Qualität und Sicherheit or GLOBALG.A.P. In addition to their own central chemical residue monitoring, these organisations implement extensive preventive measures for water protection. In the area of fish farming, the REWE Group attaches importance to the ASC standard, which requires regular water quality checks and treatment of any effluents produced.

Avoiding microplastics

Microplastics as well as dissolved, gel-like and liquid polymers are used in recipes of cosmetic products. For this reason, in its [Guideline for Microplastics in Cosmetic Products](#), the REWE Group defines requirements and measures with regard to the use of these substances in cosmetic products. The aim is to eliminate microplastics – according to the REWE Group's understanding of this term defined in the guideline – from the recipes of all cosmetic products in private labels of REWE and PENNY in Germany. This goal was achieved in 2020. In addition, the aim is to eliminate the focused-on synthetic and semi-synthetic polymers in dissolved, gel or liquid form from all cosmetic product recipes, where this possible without a drop in performance. The complete elimination of the polymers being focused on was just missed in 2021 with 99.9 per cent. The REWE Group is working in close cooperation with suppliers to meet this objective.

In close coordination with suppliers, the company continuously checks its entire private label product range in the area of cosmetics to ensure that new recipes are developed without the use of microplastics. In this way, the REWE Group already managed to free all private label cosmetic products of microbeads, which are used as friction bodies in exfoliators, for example, in 2014.

In order to make orientation easier for consumers, the REWE Group has developed its own seal. It is used to identify private label cosmetic products which are free from microplastics – according to the REWE Group's understanding of this term – and free from the focused-on dissolved, gel-like and liquid polymers.

Plastic in packaging is also a source of microplastics, which can pollute the environment and bodies of water. Therefore, the REWE Group wants to use less plastic in the future by avoiding, reducing and improving packaging. In its three-pronged approach for more environmentally friendly packaging, the REWE Group is aiming to reduce plastic in private label packaging (REWE and PENNY in Germany) by 20 per cent by the end of 2025. Furthermore, additional specific goals for private label products of REWE and PENNY in Germany have been formulated. For more information, see [Packaging](#).

Working together for less plastic in the oceans

Together with NABU and the Dutch company MBRC the ocean (MBRC), the REWE sales line has been taking a stand against plastic in the oceans through its involvement in the campaign “Gemeinsam für weniger Plastik” (Together for less plastic) since September 2020. MBRC uses recycled plastic waste collected from beaches around the world to make accessories and other lifestyle products, and funds further global beach clean ups using revenue from sales. During the campaign with REWE and NABU, ocean bracelets made by MBRC were sold in stand-up displays in REWE stores to draw attention to the project. 2 euros of the purchase price of around 10 euros went to NABU to facilitate environmental protection projects. The campaign raised a total of over 450,000 euros in donations in 2020 and 2021. This money flows into NABU's Meereschutzfonds (Marine Protection Fund), which is used to finance various projects aimed at protecting marine biodiversity and using marine resources sparingly.

Effectively tackling ocean waste in the Maldives

The REWE Group is also committed to avoiding and reducing the waste which goes into the world's seas, particularly in regions which do not have a functioning disposal infrastructure. On the smaller islands of the Maldivian atolls, for example, waste is not properly disposed of. From 2019 to 2020, the REWE Group worked together with its tuna supplier – the food retailer followfood – to support the Maldives with their efforts to counteract the increasing amount of rubbish in the ocean. Measures taken on the atoll of Laamu included the continuous disposal of plastic waste on the islands, the installation of reusable drinking water systems on fishing boats to avoid plastic bottles, and environmental (further) education for children and adolescents.



GRI 304

Biodiversity

Up to one million species of animals and plants are threatened with extinction. This loss also poses a threat to people's livelihood in the long term. This is because the processes of nature control the quality of fresh water, air and soil, regulate the climate, ensure pollination and pest control, and reduce the impacts of environmental catastrophes. As a trade and tourism company, the business activities of the REWE Group have diverse impacts on biological diversity. In addition to direct impacts, for example at company sites or during the transport of goods, the upstream and downstream links in the value chain are also of particular significance. Impacts arise here through the unsustainable use of natural ecosystems – for example, when obtaining raw materials, in the production of goods, or due to tourism offerings.

Biodiversity has been defined as a focus issue within the [Green Products Strategy 2030](#). It belongs to the area of action of the environment. The REWE Group's goal is to preserve natural resources as well as protect and promote biodiversity along the supply chains.

GRI 304: Biodiversity

Management approach

Principles

In the [Guidelines on Sustainable Business Practices](#), the REWE Group has made a firm commitment to preserving and protecting natural ecosystems. The company has also endorsed the objectives of the UN Convention on Biological Diversity. In addition, as part of the [Biodiversity in Good Company](#) initiative, the REWE Group has pledged to integrate the protection and promotion of biological diversity into the company's sustainability management.

Implementation

In order to protect and promote biodiversity, the REWE Group is making its product ranges more sustainable and, for this purpose, is taking biodiversity criteria into consideration

- through standards systems such as the organic label/logo, Fairtrade, the Forest Stewardship Council (FSC®), the Rainforest Alliance and the Marine Stewardship Council (MSC)

- within its [Guidelines](#) for Raw Materials such as palm oil, fish or cocoa
- during product-related analyses as part of the process for awarding the PRO PLANET label, in which negative impacts on biodiversity are identified and measures for preservation and promotion are taken (for more information in this regard, see [PRO PLANET](#)).

The REWE Group also relies on cooperations. Working together with numerous farmers and its partners NABU, Stiftung Rheinische Kulturlandschaft and its sister foundations, and other environmental protection organisations, the company supports regional projects which promote biological diversity in agricultural practices.

In March 2021, the REWE Group also founded the organisation “Food for Biodiversity” together with representatives of companies, associations and certification organisations from the food industry as well as environmental and research groups. The members of this first industry-wide alliance pledge to implement measures which anchor the protection of biological diversity in the food industry and its upstream value chains. This is intended to help achieve the goals of the German and European biodiversity strategy, the objectives of the Convention on Biological Diversity and the UN’s Sustainable Development Goals.

As part of the Central America Fund (see [Raw Materials in Focus – Food](#)), measures for the protection and promotion of biodiversity are also being implemented in a targeted manner, for example through a reforestation or turtle protection project in banana-growing regions in Central America.

Goals

- Switchover of all relevant regional, outdoor-grown fruit and vegetable products in private labels to cultivation which promotes biodiversity by 2025.
- Switchover to peat-free soils for private label and brand products by 2025 in order to protect peat bogs as important carbon dioxide stores.

GRI 304-2: Significant impacts of activities, products and services on biodiversity

Projects for the preservation and promotion of biodiversity

The REWE Group's biggest opportunities to make an impact in terms of protecting biodiversity lie in the area of private label products. The following projects highlight the focal points of the Group's commitments during the reporting period. Progress and impacts are evaluated on a project basis and reported within the framework of the projects presented.

PRO PLANET biodiversity project

The goal of the PRO PLANET project is to increase biological diversity at conventional fruit and vegetable farms through effective cooperation between farmers and environmentalists. In addition to the many farmers involved in the project, environmental protection organisations such as NABU and Stiftung Rheinische Kulturlandschaft and its sister foundations are also important partners of the REWE Group, who implement individual measures on site to protect and promote biodiversity. When the project began in 2010, the focus was initially on apple and pear orchards. Since 2016, following successful pilot tests, the project has been expanded to include various fruit and vegetable crops. The number of fruit and vegetable farms taking part has now grown to over 540 (as of the end of 2021). In addition to apples and pears, products also include broccoli, Chinese cabbage, iceberg lettuce, romaine lettuce, carrots, potatoes, onions, cherries, plums and blueberries. The fruit and vegetables receive the PRO PLANET label with the tagline “Für mehr Artenvielfalt” (For more biodiversity).

The positive impacts of the project are manifold. Numerous measures have been implemented throughout Germany since 2010. These include:

- The planting of some 26,000 bushes, trees and shrubs.
- The creation and upgrade of around 888 hectares of flowering strips as well as the construction of various forms of structural enhancement such as dry stone walls or small bodies of water.
- The setting up of over 13,300 nesting boxes and nesting aids for birds and bats as well as more than 6,500 insect nesting aids.

In order to make the key figures and project goals more tangible, the following objectives to be achieved by 2025 were set as part of the project:

- The creation and upgrade of 9 million square metres of flowered areas
- The planting of 30,000 woody plants (trees, hedges and shrubs)
- The setting up of 20,000 nesting aids for insects and birds

The REWE Group carries out regular monitoring to check the success of the measures implemented. This is demonstrated, for example, in the results of the wild bee monitoring carried out in the farming region of Lake Constance in 2021: There, wild bee diversity has settled at a very high level. Overall, more species of wild bee (2021: 112; 2010: 56) and also more endangered species of wild bee (2021: 26; 2010: 5) were found in the flowered areas being studied compared with at the start of the project. In addition, the biodiversity of the individual areas being studied has increased. This proves that the ecosystems in the various areas have also stabilised and become more robust.

Wild bee monitoring was carried out in the south of Rhineland-Palatinate in 2019. Here too, more individual wild bees appeared on ideal flowered areas with a high bloom density and an undisturbed location than on areas where no measures have been taken. Nesting opportunities in the soil had a positive effect on the number of species. This confirms that flowering areas have a positive effect on wild bee communities – as long as the areas are undisturbed, well developed and have a high bloom density. The REWE Group aims to continue its monitoring activities to check the success of measures. Consequently, the next wild bee monitoring is likely to take place in 2025.

In 2020, the PRO PLANET biodiversity project was included in the European Union's guide to protecting pollinators for the retail industry. In 2019, it received the European Bee Award and, that same year, it was one of the projects included in the UN Decade on Biodiversity. In addition, it already received the German CSR Award in 2016.

PRO PLANET apple project in Poland

Together with the Polish Society for the Protection of Birds (OTOP) and farmers in the region of Grójec, the REWE Group has been campaigning for more biodiversity since 2020: measures being taken at the orchards in the largest growing region for apples in Poland include the creation of flowering strips as a source of food for insects as well as the setting up of insect hotels and bird houses. The apples from this project are handled separately and used to produce the REWE Beste Wahl apple juice “Aus Liebe zur Biene” (For the love of bees) which has been awarded the PRO PLANET label and is available seasonally.

Insect protection fund with NABU

According to research, the amount of flying insects has decreased significantly during the past decade. Therefore, in 2018 and 2019, the REWE Group lent its support to an insect protection fund set up by its long-standing strategic partner NABU, initially with a sum of over 300,000 euros in total. This money enabled comprehensive measures for the protection of insects to be implemented nationwide and therefore helped to counteract the decline in the number of insects. These measures include the purchase of areas of land to be developed and secured in the long term as species-rich habitats. There have been over 50 projects so far. 171,093 square metres, including arable land, have been made insect-friendly. In addition, 373,360 square metres of flowered areas have been created or upgraded to make them insect-friendly, landowners and landlords have been advised on how to support insects, insect hotels have been set up and environmental education on this topic has been provided.

Protection of peat bogs – with the NABU climate fund and peat-free alternatives

During the financial year, the REWE Group and NABU have added another component to their cooperation as part of their long-standing partnership. Starting in 2022 and for five years, the REWE sales line will pay five million euros each year into the newly created NABU Climate Fund. The aim of this fund is to support measures being taken for the rewetting of peat bog soils which have been degraded due to agriculture and peat cutting. On the one hand, heavily drained peat bog areas in Germany and EU countries in the Baltic region are to be purchased or leased over the long term. On the other hand, farms are to receive support with switching over from conventional farming methods to climate-friendly wetlands management.

Rewetting should enable the peat bogs to regain their original function as giant carbon stores (see also [Climate Protection in the Supply Chain](#)) and, in terms of biodiversity, as unique habitats for many species of animals and plants which have become rare such as the common snipe, moor frog or sundew.

In order to protect peat bogs from cutting, REWE, PENNY and, in particular, toom Baumarkt DIY stores as the first DIY chain in Germany to do so, decided back in 2016 to switch the entire soil product range (both private labels and brand products) over to peat-free alternatives by 2025 at the latest. In 2021, the private label product range of peat-free soils at toom comprised a total of 19 products, including seven Naturtalent by toom® potting soils, eleven products from toom's quality brand, plus one additional organic potting soil. The Naturtalent by toom® potting soils have been awarded the PRO PLANET label “Für mehr Klimaschutz” (For more climate protection) and certified by the Bio-Grünstempel® (Organic Green Seal). In addition to expanding the range of peat-free products, the proportion of peat substitutes made from renewable raw materials is also being gradually increased across all soils. All of toom's private label soils are now at least peat-reduced. With this switchover, toom Baumarkt DIY stores are helping to counteract climate change and making a contribution towards biological diversity. The REWE and PENNY sales lines have also supplemented their seasonal soil product range with peat-free and peat-reduced alternatives.

In the long term, wherever possible, the plan is to also replace peat with alternative materials for toom ornamental plants. Currently, ornamental plants in which a maximum of 50 per cent peat is used in the substrate can be awarded the PRO PLANET label “Für mehr Klimaschutz” (For more climate protection). This is intended to create an incentive for producers and suppliers and provide customers with guidance. In 2021, the product range of peat-free and peat-reduced plants in toom Baumarkt DIY stores consisted of 17 products.

Beneficial organism-friendly plants

REWE and PENNY are conducting campaigns throughout the year with “bee favourites” and “bee enticers”, while toom Baumarkt DIY stores started to offer an extensive product range of bee-friendly plants under the concept name “Bee Friends” in 2016. Since 2021, this has been replaced by the new concept of “beneficial-organism-friendly”. With this new concept, an entomologist and wild bee experts check not only how friendly the plants are to beneficial organisms at a species level, but also which insect group(s) they are suitable for. Therefore, toom is the first DIY store

chain in Germany to differentiate between different flower-visiting insects groups in the assessment, which also generates positive feedback from the scientific side. In the new product range, plants are “beneficial-organism-friendly” if they are considered to be a pollen plant for honey bees, bumble bees or wild bees or a nectar plant for butterflies. Since 2021, toom Baumarkt DIY stores have only been selling plants under the new concept “beneficial-organism-friendly” which have been evaluated by experts and found to be suitable. The product range is to be expanded further. All potted plants which considered to be friendly to beneficial organisms are awarded the PRO PLANET label “Für mehr Artenvielfalt” (For more biodiversity). By the end of 2021, the product range of beneficial-organism-friendly plants included 127 items – including herbaceous perennials, flower bulbs, herbs and fruit trees.

Negative list for the use of pesticides in plants which are friendly to beneficial organisms

In addition to the assessment of beneficial-organism-friendly plants by an insect expert, an extended negative list which goes beyond the generally accepted negative list for all ornamental plants and is based on the recommendations of the Pesticide Action Network (Pestizid Aktions-Netzwerk e. V. (PAN)) has applied to this product range at toom Baumarkt DIY stores since 2021. According to this list, all active ingredients which are harmful to bees are banned from production of the beneficial-organism-friendly product range. In addition, the REWE Group's DIY chain has been cooperating with Austria's leading environmental organisation, GLOBAL 2000, to further reduce the use of pesticides in beneficial-organism-friendly plants since November 2020.

Negative list for the use of pesticides in conventional fruit and vegetables

The REWE Group has also set the goal of reducing pesticide levels in conventional fruit and vegetables and drawn up a negative list for this purpose. The active ingredients listed are not permitted to be used during production. The Group is working closely here with producers, NGOs and the scientific community on solutions which will minimise harm to the environment and health but still ensure production and yield security for farmers. For more information about the use of pesticides in conventional fruit and vegetables, see [Environmental Aspects in the Supply Chain](#).

Reduction of pesticides and elimination of glyphosate at toom Baumarkt DIY stores

Glyphosate, the most widely used agricultural pesticide in the world, has repeatedly come under criticism. toom Baumarkt DIY stores stopped selling products which contain glyphosate in 2015 – the first DIY store chain in the industry to do so. In addition, the sale of pesticides which are particularly harmful to bees and their use in the production of the plant product range of toom Baumarkt DIY stores have also been restricted: In order to actively contribute to the protection of bees and the environment, toom Baumarkt DIY stores have tightened requirements for their ornamental plant suppliers such that they go far beyond legal requirements. In 2017, it became the first DIY store chain in Germany to exclusively offer ornamental plants produced without the use of neonicotinoids classified as particularly harmful to bees by Greenpeace. In the area of chemical pesticides, in 2015 toom also completely stopped selling products which, according to a [Greenpeace study](#), contain active ingredients that are especially harmful to bees.

Promoting local biodiversity with the nature conservation programme “Blühendes Österreich”

The foundation “Blühendes Österreich” (Blooming Austria) was set up in 2015 by the REWE Group in Austria together with the environmental protection organisation BirdLife Österreich. The foundation's mission is the strategic, transparent and systematic financing of nature conservation projects. By implementing projects together with partners from public institutes, non-profit organisations, communities, associations and the private sector, “Blühendes Österreich” particularly strengthens regional cooperation. Today, the foundation is not only the first, but also the largest private sector initiative aimed at a healthy environment and sustainable farming in Austria. In 2021, the foundation's budget was 800,000 euros.

The foundation's nature conservation strategy for 2018-2022 titled “Nachhaltigkeit verankern, Österreichs Vielfalt leben” (Anchoring Sustainability: Living Austria’s Diversity) has set the goal of protecting a total of 1,000 hectares of threatened environmental areas by 2022. In 2021, 121 farms took part in the FLORA programme (Förderung von Landwirt:innen und Organisationen zur Rettung unserer Artenvielfalt – Supporting Farmers and Organisations in Order to Save our Biodiversity). Since 2015, 230 farmers, environmental protection organisations, communities and other initiatives have received funding, thus preserving 951 hectares of environmentally valuable land. The financial support also helps small farming families from an economic planning perspective and secures jobs.

DER Touristik: Chili against elephants

DER Touristik is also campaigning for wildlife conservation with the non-profit organisation “DER Touristik Foundation e. V.”. As part of the project “Chili against Elephants”, awareness campaigns are taking place in Tanzania to promote ecological habitats and the protection of elephants. For further information, see [Projects and Sponsorships](#).



GRI 305

Climate Protection in the Supply Chain

The impacts of the climate crisis are already perceptible today. Heat records, storms, droughts and floods are threatening ecosystems, biological diversity and the existence of millions of people. The world is facing enormous challenges here. The Paris Climate Agreement seeks to limit global warming to 1.5 degrees Celsius. Germany has signed the climate agreement and derived a regulatory framework from it: According to the Climate Protection Act, there is the binding requirement to achieve greenhouse gas neutrality by 2045. In addition, the company is calling for increasingly strong climate protection measures, as shown by movements such as Fridays for Future.

Consumers, employees and specialist stakeholders of the REWE Group rate the topic as particularly significant for the company as part of the materiality analysis: They want climate protection to be taken into consideration at all levels (for more information, see [Materiality Analysis](#)).

In addition to the circular economy and biodiversity, the topic of climate is also a focus issue in the area of action of the environment within the [Green Products Strategy 2030](#).

Background

Climate change is also having economic consequences in the food sector and raw material production. Agriculture is at great risk of suffering damage and loss due to extreme weather events. Temperature fluctuations, heavy rainfall and frequent extreme weather are reducing yields. This also can lead to reduced supplier reliability.

According to the World Economic Forum, 25 per cent of all global greenhouse gas emissions are caused by the supply chains of the food industry. In the European retail trade, emissions from the upstream supply chain represent the largest share (90 per cent) of total emissions in this sector. Therefore, they are fundamentally important for companies when it comes to climate protection. Consequently, the REWE Group has defined a climate strategy for the upstream supply chain.

Management approach

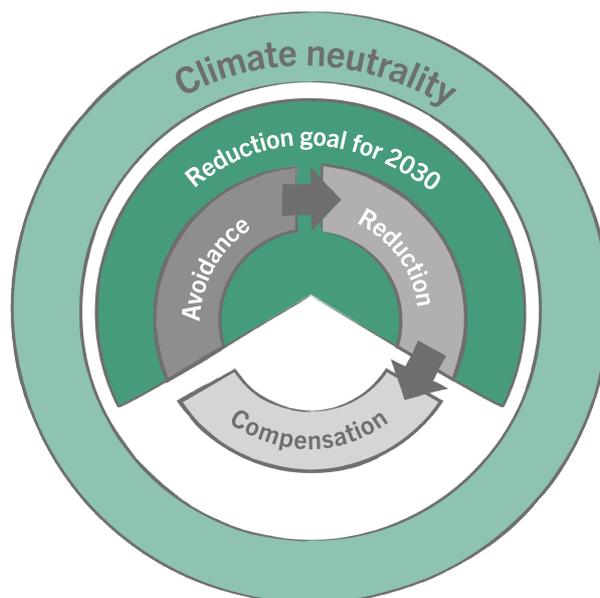
Principles

In its [Guidelines on Sustainable Business Practices](#), the REWE Group commits to continuously reducing the greenhouse gas emissions resulting from business processes.

In 2009, the commercial company had already published its first climate goal at company level and this has been updated since then (for more information, see [Climate Protection at Company Level](#)). However, the REWE Group also wants to reduce climate-relevant emissions along the supply chain. Consequently, the company has defined a climate strategy for the upstream supply chain. This was adopted in 2020 and laid down in the [Guideline on Climate Protection in the Supply Chain](#) at the start of 2022.

Implementation

The three principles “Avoidance first, then reduction, then compensation” form the framework for the climate strategy in the supply chain at the REWE Group.



Avoidance: The REWE Group's top priority is to avoid the emission of climate-damaging greenhouse gases along the upstream supply chain of its products, wherever this is possible. Particularly for products which have a high impact on the climate, this is to be achieved, for example, by substituting products or raw materials, avoiding deforestation, or eliminating packaging or packaging components. An example is plant-based alternative products which have lower emissions due to the elimination of greenhouse gases which are produced in animal husbandry.

Reduction: Where it is not possible to avoid emissions, the REWE Group wants to reduce them through the use of more climate-friendly raw materials and production methods, more environmentally friendly packaging, or shorter transport routes. Examples include the use of deforestation-free feed or recycled paper instead of virgin fibres.

Compensation: The REWE Group plans to compensate, i.e. offset, any remaining emissions which cannot be avoided during the obtaining of raw materials, their processing, or the transport of products, by promoting climate protection projects. These projects are to be verified or certified in accordance with a recognised standard.

With regards to climate protection in the supply chain, the REWE Group has set strategic goals which give the Group's commitment clear orientation in terms of making product ranges more climate-friendly. Here it has used the requirements of the Science Based Targets Initiative – an alliance of the UN Global Compact, World Resources Institute and WWF – as guidance. This internationally recognised standard helps companies to develop science-based climate goals which are in line with the Paris Climate Agreement.

Goals

Goal 1: Strategic reduction goal for the supply chain

Reduction of absolute greenhouse gas emissions by 15 per cent in the supply chains of private label products at REWE and PENNY in Germany by the end of 2030 (compared with 2019).

Goal 2: Strategic suppliers commitment goal

The aim is to have agreed climate goals in line with the Science Based Targets Initiative with all strategic suppliers, who are responsible for a total of 75 per cent of product-related emissions, by the end of 2024.

Similar to the [approach for more responsible supply chains](#), the REWE Group pursues a four-stage process in its climate strategy for the supply chain in order to achieve its objective: Product Range and Risk Analysis, Derivation of Focal Points, Implementation and Measures, Monitoring and Reporting.

Product range and risk analysis: calculation of carbon dioxide equivalent footprint

The strategy for climate protection in the upstream supply chain covers all product groups. For 2019, the REWE Group has determined a carbon dioxide equivalent footprint of around 4.6 million tonnes for its supply chains with over 11,000 private label products of REWE and PENNY in Germany.

The determination of Scope 3 emissions meets the requirements of the Greenhouse Gas Protocol, a standard for calculating greenhouse gas emissions. Due to the complexity of purchasing as well as the large number of suppliers and products purchased, the carbon dioxide equivalent footprint was calculated on the basis of an established expenditure-based method which is based on the so-called “environmentally extended input-output model”. This model maps global product streams and the climate impacts (in a specific sector and in a particular region) which correspond to the purchasing volume of the REWE Group. The emission factors which have been taken into account for the calculation of the carbon dioxide equivalent footprint include the climate impacts along the upstream value chain, from the cultivation phase to the factory gate. For example, the climate impacts of rearing, slaughtering and processing a pig, including the production of feed (plant cultivation, harvest and further processing), were taken into consideration. The emissions for packaging and transport were estimated separately.

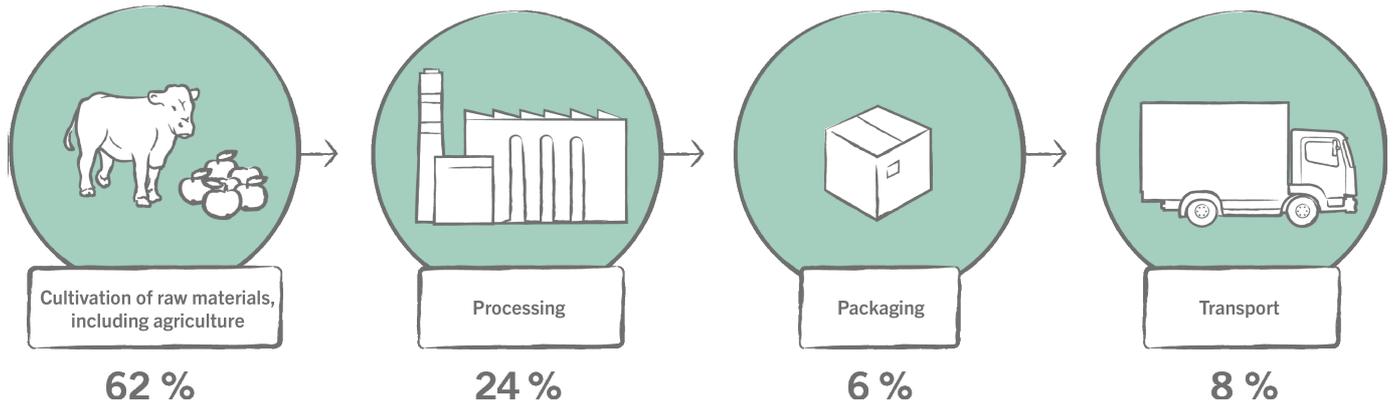
Data about Scope 3 emissions was collected using the purchased products data of the main product groups. Third-party brands as well as other purchased goods (for example, equipment) and services were not taken into account.

Using a similar calculation method and base year as REWE and PENNY, the carbon dioxide equivalent footprint in the supply chains of toom Baumarkt DIY stores was determined to be around 170,000 tonnes and took 18,455 private label products into consideration.

In the area of services, DER Touristik also worked on the calculation of greenhouse gas emissions in 2021: Together with the tourism sustainability initiative Futouris e. V., the company has developed a feasibility study on the creation of an industry-wide carbon dioxide accounting system for travel. DER Touristik wants to use the study to inform its guests about the climate impacts of different travel offerings in a transparent manner and, at the same time, to specifically promote climate-friendly travel alternatives (see also [Raw Materials in Focus – Non-Food](#)).

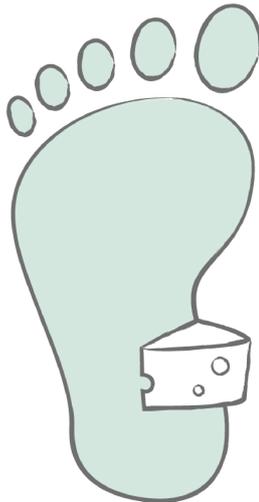
Climate-relevant greenhouse gases are produced in all supply chains of the REWE Group, both upstream and downstream. Scope 3 emissions from the upstream supply chain make up the largest share: 62 per cent is attributable to raw materials production (including agriculture), 24 per cent to processing, 6 per cent to packaging and 8 per cent to transport.

Scope 3 emissions of REWE Group in the upstream supply chain stages



The evaluation of the product range and risk analysis revealed a highly fragmented footprint. The REWE Group identified nine product groups which, owing to their high impact on the climate, are the initial focus when deriving measures to reduce the carbon dioxide equivalent footprint: milk and dairy products, sausage, cheese, poultry, eggs, pork, beef, fruit and vegetables. Animal products make up around 42 per cent of the footprint in the product range of the REWE Group, plant products (in this case: fruit and vegetables) 12 per cent. Even though plant-based products generally have a significantly lower greenhouse gas intensity than animal products, they also need to be taken into consideration in the sum of greenhouse gas emissions due to the rising demand from customers.

Focus product group



Cheese



Milk and dairy products



Eggs



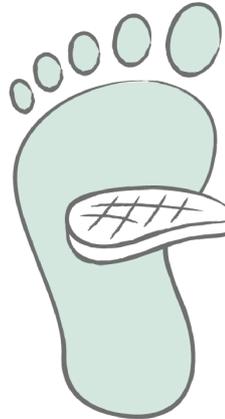
Sausage



Poultry



Pork



Beef



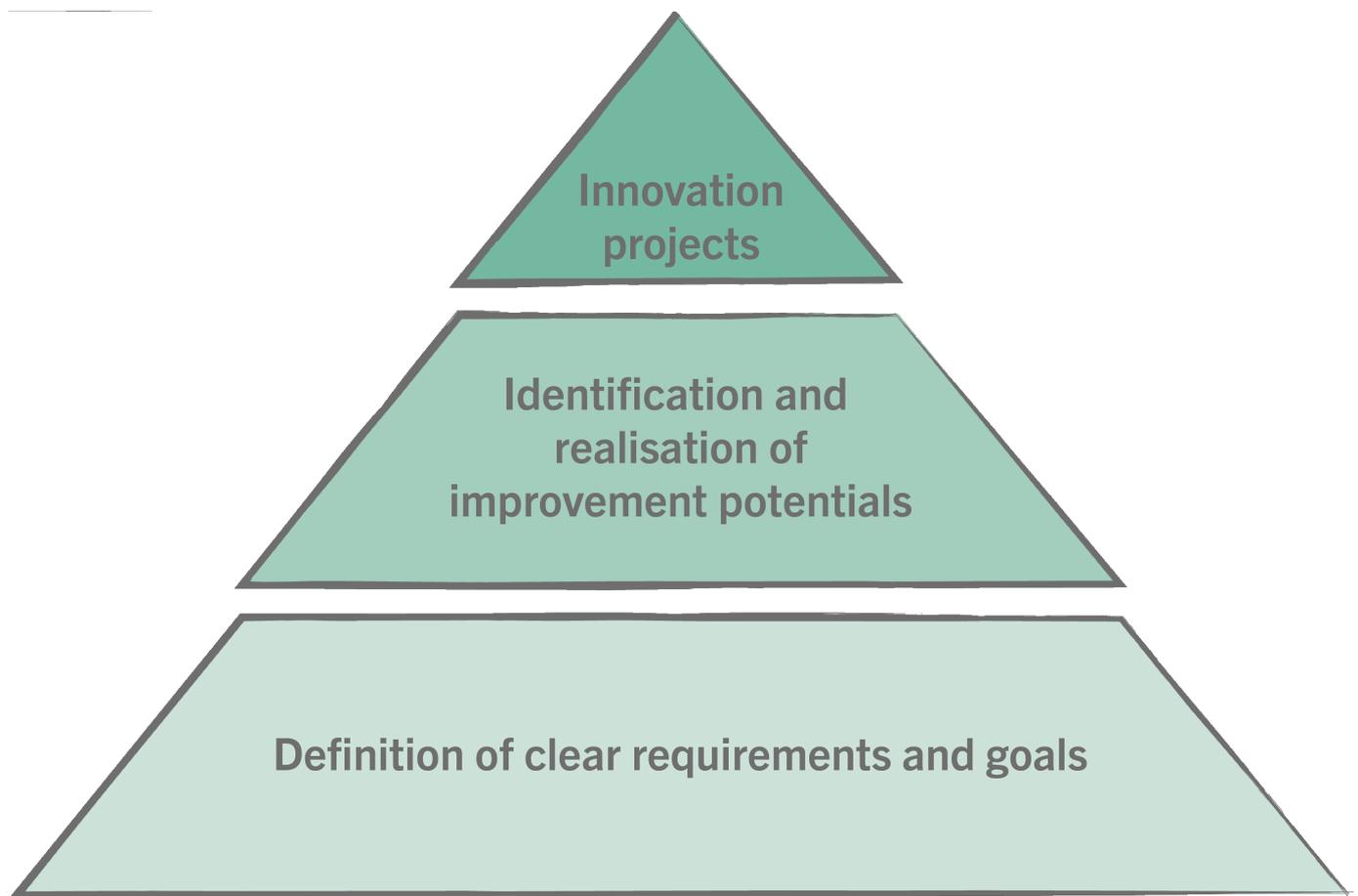
Fruit and vegetables

The strategic approach for climate protection in the supply chain is implemented on three levels:

Firstly, the Group promotes climate protection in the supply chain among the general public by defining specific goals. In addition, it gives its suppliers clear recommendations for action, from which long-term binding requirements are to develop. These relate to categories such as energy, agriculture or waste and call for the deployment of more efficient technology, the use of more sustainable raw materials, or the promotion of the circular economy.

Furthermore, the identification and realisation of improvement potentials, both across product ranges and within a specific product range, form the basis for implementing measures which reduce greenhouse gases in the value chain.

In addition, the REWE Group wants to work with its partners along the supply chain to actively help shape and promote the transformation and climate protection in its supply chains in the form of innovation projects.



Measures and projects to reduce greenhouse gas emissions

In order to consistently reduce greenhouse gas emissions in the supply chain of private labels, the REWE Group is implementing a series of different measures, a selection of which is presented below. The company is aware that a continuous expansion of measures is necessary in order to achieve its strategic goals.

For the definition of clear requirements and goals:

Reduction Roadmaps

In order to promote climate protection in the supply chains of its private labels and reduce emissions in a targeted manner, the Group is developing, in a first step, “reduction roadmaps” for the nine product groups which have a particularly high impact on the climate. These are to be continuously expanded and adjusted, and are also planned for all other product groups.

Deforestation-free supply chains

The REWE Group is aiming to make its supply chains deforestation-free in the areas of wood/paper, palm oil and soy in animal feed by the end of 2025. The company has set specific goals to achieve this. For more information, see [Raw Materials in Focus – Food](#) and [Raw Materials in Focus – Non-Food](#). By doing this, the REWE Group wants to reduce the carbon dioxide equivalent footprint in the supply chain.

Rewetting and protection of peat bogs with NABU and peat-free soils

When wet, peat bogs store a quarter of terrestrial carbon, even though they occupy just three per cent of the global land area. Therefore, the REWE Group is involved in the preservation and rewetting of peat bogs. For example, starting in 2022 and for five years, the REWE sales line will pay five million euros each year into the newly created NABU Climate Fund set up by its long-standing partner NABU. The purpose of the NABU Climate Fund is to counteract the drainage of peat bogs caused by agriculture and peat cutting and therefore the release of large amounts of greenhouse gases. In order to achieve this, the water levels on the land will be raised, thereby bringing the degradation of peat to a stop. The focus of climate projects lies in northern Germany and EU countries in the Baltic region. Drained peat bog areas are to be purchased or leased, or farms are to receive support with switching over to climate-friendly wetlands management.

In addition, the REWE Group is switching its entire soil product range – both private labels and brand products – at REWE, PENNY and toom Baumarkt DIY stores over to peat-free alternatives by the end of 2025. By eliminating peat, the REWE Group is reducing the emission of greenhouse gases from drained peat bogs. toom Baumarkt DIY stores also plan to replace peat with alternative materials for ornamental plants. For more information, see [Raw Materials in Focus – Non-Food](#).

Packaging

By the end of 2030, the REWE Group plans to make all sales and service packaging of private labels at REWE, PENNY and toom Baumarkt DIY stores more environmentally friendly. This enables greenhouse gas emissions to be avoided, by saving plastic or using recycled materials, for example. For more information, see [Packaging](#).

For the identification and realisation of improvement Potentials:

Online platform to support suppliers

As part of its strategic suppliers commitment goal (see [Goals](#)), the REWE Group is asking its private label suppliers to develop climate goals and measures which are in line with the requirements of the Science Based Targets Initiative. The “REWE Group Initiative – Together for More Climate Protection” helps the Group to monitor this commitment and provides support when it comes to sharing knowledge. For example, it enables suppliers to identify reduction potentials, formulate their own climate goals, and derive corresponding measures. In this way, the REWE Group would like to pool forces through dialogue with its suppliers to achieve ambitious climate protection objectives. The online platform is to be continuously further developed.

For transformation through innovation projects:

Plant-based product alternatives: bio + vegan and food for future

In order to avoid climate-damaging greenhouse gases, the Group is making its private label product range more climate-friendly and positioning itself as a driver and market leader in the sector with innovative solutions, for example with purely plant-based private labels.

REWE Bio + vegan currently offers more than 30 vegan organic alternative products and the product range is to be steadily expanded. All products are not only vegan, but also organic certified, with no unnecessary additives. Since September 2021, the product range is also climate neutral: During the production of all REWE Bio + vegan products, the quantity of emissions of around 32,600 tonnes carbon dioxide equivalents is compensated, through a forest protection project in Uruguay, for example. This is certified according to the Verified Carbon Standard / Climate Community & Biodiversity Standards. In addition, since November 2021, eight hectares of land have been planted with around 32,600 trees as a mixed forest in Overath in the Rheinisch-Bergischer district close to Cologne, in order to also reduce the impacts of climate change in Germany.

When it was launched in October 2020, the PENNY private label Food for Future was the first cross-product-group vegan private label in the German discount sector. PENNY now offers its customers over 40 different Food for Future products which provide a wide choice for a vegan diet. The number of listed products is increasingly being expanded. In addition, the private label is climate neutral. Each year, PENNY compensates over 16,000 tonnes carbon dioxide equivalents through a Gold Standard-certified wind energy project in Chile. In addition, up to 16,000 trees are being planted in Eulenthal, Overath, in order to also reduce the impacts of climate change in Germany.

As a result of its extensive vegan product range comprised of private labels and brand products, REWE was crowned the “Most vegan-friendly supermarket” at the PETA Vegan Food Awards 2021. The cross-product-group vegan private label at PENNY, “Food for Future”, was the winner in the category “Best private label”.

PRO PLANET greenhouse

For PRO PLANET greenhouse crops such as peppers, tomatoes and strawberries, REWE and PENNY use a resource-conserving cultivation method in particularly sustainably operated greenhouses in Germany. Renewable energies are used here, thus reducing greenhouse gas emissions.

Dialogue within the sector

The REWE Group communicates regularly with suppliers, industry associations and NGOs on pioneering climate protection activities in the supply chain in order to identify and implement innovative approaches for more climate-

friendly production methods. In addition, the Group is committed to promoting industry-wide solutions.



GRI 308

Environmental Aspects in the Supply Chain

The REWE Group sources a large number of products and product components from within Germany and abroad. This can bring negative environmental effects, particularly in farming and production. Natural raw materials are also used. At the same time, the global demand for such raw materials is increasing – this is why the protection of resources is particularly important to the REWE Group.

Activities connected with environmental aspects within the supply chain centre on the area of action of the environment within the [Green Products Strategy 2030](#) and are aimed at protecting natural resources and preserving biodiversity along the supply chains. For this purpose, three focus issues were defined, and specific work is being carried out on these. In addition to the [Circular Economy](#) and [Biodiversity](#), the focus issue of [Climate Protection in the Supply Chain](#) is also important here.

GRI 308: Supplier environmental assessment

Management approach

Principles

In order to improve the environmental impacts along the supply chains, the REWE Group is careful to comply with environmental standards when selecting its suppliers and business partners. The company works with them to make supply chains more transparent and production more environmentally responsible. The REWE Group has formulated the principles of its business relationships with the [Guidelines on Sustainable Business Practices](#). In the area of ecology, these principles include:

- the careful use of resources such as soil, air, water and natural raw materials,
- the protection and preservation of natural ecosystems and biological variety (biodiversity) as well as
- the avoidance and reduction of environmental risks.

These fundamental values apply both for the company's own business processes as well as for business partners and suppliers of the REWE Group. The REWE Group reserves the right to apply sanctions when the values contained in the

guidelines are deliberately and flagrantly breached.

Strategy process

In order to identify the significant environmental impacts and implement suitable measures to improve these impacts in the global supply chains of its products which sometimes can be very complex, the REWE Group uses a four-stage process.

Step 1: Detailed risk and hot spot analyses are used to identify impacts. Since 2016, the REWE Group has significantly expanded and systematised its approach to recording risks. For more information, see [Product-Related Risk Analyses](#).

Step 2: The findings obtained in the first step are used to derive focus raw materials and issues. Textile, plastic and metal, as well as fruit, vegetables and meat in area of food, have been identified as product groups which have particularly high environmental impacts.

Step 3: The focus raw materials and issues are addressed with corresponding measures to counteract negative effects. These measures are implemented through a management approach which works on three different levels:

1. Internal cooperation, through training of purchasers, for example
2. Cooperation within the supply chain, through requirements for suppliers or for purchasing certified raw materials, for example
3. Cooperation with stakeholders, by further developing standards organisations, for example

Depending on which risks are identified, measures may be defined differently, from the requirement of standards and certifications, cooperation with standards organisations, or the joining of industry initiatives through to on-site projects with suppliers and producers.

Step 4: The activities that we conduct are monitored and evaluated. The results of this monitoring work are then incorporated into refining the measures.

Goals

In order to make progress measurable in the area of action of the environment, the following goals and key performance indicators (KPI) for private labels have been defined (for more information, see the overarching [Management Approach for Green Products](#)):

Goals	Status
Complete integration of relevant food and non-food producers into an environmental programme in the case of the private labels of REWE and PENNY in Germany as well as toom by the end of 2030	↻
100% more environmentally friendly private label packaging by the end of 2030 ¹	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

¹ This goal applies to the REWE Group in Germany (REWE, PENNY, toom Baumarkt DIY stores) and, since 2019, also to the international sales lines (BILLA, BILLA PLUS, PENNY and ADEG).

Implementation

Through the REWE Group's local purchasing companies, requirements and problems can be discussed directly with suppliers and production sites. In addition, any necessary measures can be implemented. In Asia, for example, the sourcing and procurement office REWE Far East (RFE) is responsible for the procurement of certain food and non-food products and plays an important role in the improvement of environmental conditions in the supply chain. The Corporate Responsibility Department of RFE maintains direct contact with suppliers and assists with the [Green Production Programme](#) and [Detox Programme](#) on site.

When it comes to the procurement of fruit and vegetables, the REWE Group receives support from its wholly owned subsidiaries Eurogroup and Campina Verde through their individual country representatives. This enables the commercial company to make its value chains more transparent. The country managers for Spain, Italy and Germany ensure close communication with production and help to implement the requirements of the REWE Group in the best possible way.

GRI 308-2:

Negative environmental impacts in the supply chain and actions taken

The REWE Group implements specific measures to reduce negative environmental impacts through three approaches:

1. Internal cooperation

Employees of the REWE Group receive regular training on relevant environmental topics such as biodiversity, packaging or deforestation so that these issues are given appropriate consideration when selecting suppliers and during the purchasing process. The information is made available for specific target groups.

2. Cooperation within the supply chain

Supply chain management at the REWE Group involves evaluating suppliers and making them aware of certain issues and their obligations, as well as audits and any measures derived therefrom. The REWE Group relies on established standards to gradually make the supply chain more sustainable. Special requirements are already taken into consideration during the tender process and incorporated into supplier agreements.

The REWE Group is constantly raising awareness of environmental issues, whether at supplier events or during individual discussions with suppliers. In addition, requirements in this regard are integrated into agreements with suppliers and into the [Guidelines on Sustainable Business Practices](#). Therefore, suppliers confirm their compliance in this area with each tender or agreement. For focus raw materials such as, for example, cocoa and palm oil, the REWE Group has defined [guidelines](#) with detailed requirements and goals which, in turn, are imposed on suppliers.

Implementing environmental standards

When implementing improvements, the REWE Group uses internationally recognised standards such as, for example, the Global Organic Textile Standard (GOTS) seal, Cotton made in Africa for sustainable textiles, or the FSC® and PEFC™ certifications for sustainable forestry. Standards such as the Rainforest Alliance, Naturland, Fairtrade, Blauer Engel (Blue Angel), the Verband für Lebensmittel ohne Gentechnik e. V. (German Association of Non-Genetically Modified Foods) and the EU organic logo/label also play an important role for the REWE Group when it comes improving environmental conditions in the supply chain. In the supply chain link of production, the REWE Group uses, amongst other things, tools of the Business Environmental Performance Initiative (BEPI) or the Detox Programme. The REWE Group also plays an active role in platforms such as the Forum for Sustainable Palm Oil (FONAP) and the German Initiative on Sustainable Cocoa (GISCO) as a way of refining standards and initiating industry-wide improvements in environmental conditions (see also [Raw Materials in Focus – Food](#) and [Raw Materials in Focus – Non-food](#)).

Climate protection in global supply chains

In view of the major importance of greenhouse gas emissions from global agriculture for climate change, the REWE Group is seeking to help limit global warming through engagement in its supply chains. Consumers, employees and specialist stakeholders of the REWE Group also rate the topic as particularly significant for the company as part of the materiality analysis (for more information, see [Materiality Analysis](#)). Therefore, the company has set itself the goal of

achieving an absolute reduction in greenhouse gas emissions of 15 per cent by the end of 2030 compared with 2019 in the supply chains of private label products. For more about the company's approach to reducing greenhouse gas emissions in its supply chains, see [Climate Protection in the Supply Chain](#).

Negative list for the use of pesticides in conventional fruit and vegetables

The REWE Group aims to reduce pesticide levels in conventional fruit and vegetables. To achieve this, it is working with producers, NGOs and scientists on solutions which will minimise harm to the environment and health but still ensure production and yield security for farmers. For this purpose, the REWE Group has defined a negative list. It currently lists 148 active ingredients which producers are not permitted to use in production. In summer 2022, this will be expanded to 249 active ingredients. For 23 additional active ingredients, the REWE Group has significantly tightened the upper limit for maximum residue levels (MRL): these can be a maximum of 25 per cent of the maximum values stipulated by law. In this case too, the number of active ingredients will rise to 95 in 2022. For all others, an upper limit of 50 per cent of the MRL applies. In order to develop specifications further, the REWE Group has commissioned the creation of specific analysis reports in recent years – on endocrine disruptors in 2017 and substances which are harmful to bees in 2018, for example. In addition, all fruit and vegetable products are regularly inspected for possible pesticide residue on the basis of a risk-oriented sampling plan used as part of quality management. This risk analysis is also part of Purchasing's annual seasonal planning since it is a decision criterion for whether and how a product is brought to market.

Checking and improving environmental effects with the Green Production Programme

In 2018, the REWE Group launched an environmental programme for suppliers to REWE, PENNY and toom Baumarkt DIY stores to help achieve the KPIs: The Green Production Programme is used to improve environmental effects at the production sites of suppliers and monitor them regularly. For this programme, each production site must conduct a self-assessment based on the Business Environmental Performance Initiative (BEPI) of amfori or present an ISO 14001 certificate. For textile suppliers, an OEKO TEX STeP certificate or a Higg FEM Verification is also a possible alternative. The production sites also conduct random amfori BEPI audits to check compliance with environmental regulations. In 2021, all suppliers who produce for REWE Far East joined the programme. This means that there are now 387 suppliers (752 production sites) to the REWE Group who are integrated into the Green Production Programme. For all strategic suppliers whose processes are considered to be harmful to the environment, the REWE Group provides advice on how to improve.

Detox programme against negative impacts in textile production

In order to reduce the environmental impacts in the textile supply chain, the REWE Group joined the Detox campaign by Greenpeace in 2014 and set up a corresponding programme for products distributed by the REWE Group in the product groups of clothing, shoes and home textiles. The goal is to ensure safe textile production with no dangerous chemicals. To achieve this, the REWE Group worked together with its suppliers to systematically eliminate hazardous

chemicals from textile production. The REWE Group documented developments with regards to the Detox Programme from 2015 to 2019 in annual [progress reports](#).

The Greenpeace Detox campaign officially came to an end in 2020. Regardless of this, the REWE Group is committed to eliminating dangerous chemicals from textile production. In 2020, the company started a new Detox process. The approach particularly includes supplier development in the area of chemicals management.

In addition, the REWE Group has been using the Manufacturing Restricted Substances List (MRSL) of the initiative “Zero Discharge of Hazardous Chemicals (ZDHC)” since 2020. This contains chemicals which are classified as dangerous and are not permitted to be used in production. In addition, factories must always have a valid wastewater test, produce a chemicals inventory and participate in annual training. The REWE Group sources its products from a pool of wet processing factories which meet these new requirements.

Between 2018 and 2021, a total of 24 producers, for example from China, Serbia, Italy, Bangladesh and Turkey, received training. From doing this, improvements were recorded in the areas of chemicals management, management systems, process optimisation, wastewater and waste management as well as water consumption. The producers for the REWE Group who took part improved by 24 per cent on average.

To further advance the topic, the REWE Group promotes dialogue with other retailers and textile companies and supports the Green Button textile seal.

3. Cooperation with stakeholders

In order to improve general conditions, the REWE Group pools its forces with other companies and stakeholders in industry initiatives and partnerships, thus increasing its influence. In addition, the REWE Group is actively involved in further developing these partnerships and represents its interests there.

The REWE Group takes part in the following national and international initiatives which deal with environmental impacts in supply chains – detailed descriptions of individual initiatives can be read in [Industry Initiatives and Memberships](#):

- Member of **amfori BEPI**
- Dialogue and cooperation with the **Aquaculture Stewardship Council (ASC)**
- Involvement in the initiative **Biodiversity in Good Company**
- Member of the **Partnership for Sustainable Textiles**
- Member of the **Consumer Goods Forum**
- Member of the board at **Cotton made in Africa**
- Member of the **Floriculture Sustainability Initiative (FSI)**

- Founding member of the initiative **Food for Biodiversity**
- Dialogue and cooperation with the **Forest Stewardship Council (FSC®)**
- Founding member of the **German Initiative on Sustainable Cocoa (GISCO)**
- Founding member of the **Forum for Sustainable Palm Oil (FONAP)**
- Member of the **GLOBALG.A.P. working group on environmental aspects in the cultivation of crops**
- Regular dialogue and cooperation with the **Marine Stewardship Council (MSC)**
- Dialogue and cooperation with the **Programme for the Endorsement of Forest Certification Schemes (PEFC™)**
- Member of the **Rainforest Alliance** Standards Committee
- Member of the **Roundtable on Sustainable Palm Oil (RSPO)**
- Member of the **Sustainable Juice Platform**
- Partnership with the **Donau Soja Association**
- Member of the **World Banana Forum**
- Cooperation with **XertifiX**



GRI 408, 409

Child Labour and Forced Labour

The REWE Group sources a large number of products and product components through supply chains which can extend across multiple countries. The risk of child labour and forced labour plays an important role here.

Child labour and forced labour are focus issues in the area of action of people within the [Green Products Strategy 2030](#). The REWE Group aims to systematically fight against child labour and forced labour.

Background

Child labour is deemed exploitative when children under the age of 13 perform light work for more than a few hours a week, or when children under the age of 15 perform work that is hazardous or strenuously hard. In many risk countries, the ban on exploitive child labour is not sufficiently implemented and adhered to.

Forced labour often manifests itself through a restriction of freedom of movement, the withholding of wages and personal documents as well as debt to the employer or an employment agency. Since those concerned are often migrants who have immigrated legally or illegally, or temporary workers, forced labour is often not visible and is difficult to monitor.

GRI 408: Child labour;

GRI 409: Forced or compulsory labour

Management approach

Principles

The [Guidelines on Sustainable Business Practices](#) applies to all business relationships of the REWE Group. It is based on the UN Universal Declaration of Human Rights, the conventions of the International Labour Association (ILO), and the UN Global Compact. The prohibition of forced labour is stipulated therein: No one may be employed against their will or forced to work under the threat of any penalty. The avoidance of exploitive child labour is also anchored here. The REWE Group adheres to the standards for child labour set by the ILO and applicable national laws. The REWE Group reserves the right to apply sanctions when the values contained in the guideline are deliberately and flagrantly breached.

As part of its membership with amfori BSCI, the REWE Group commits itself as well as all suppliers and producers to comply with the code of conduct of amfori BSCI and commits to its principles. These include the renunciation of exploitative child labour and forced labour. The REWE Group is continuously working together with its suppliers to improve labour and social standards.

Guidelines define the operational framework

In its [Guideline on Fairness](#), the REWE Group has outlined its commitment to strengthening human rights and improving working conditions within the supply chains of all private label products of REWE, PENNY and toom Baumarkt DIY stores. The focus here is child labour and forced labour, living wages and income, and women in the supply chain.

In addition, in its [Guideline on the Prevention of Child Labour](#), the REWE Group specifies its requirements and measures with regard to the prevention and elimination of child labour and defines a binding operational framework for business partners. Building on this guideline, the REWE Group has created a tool kit to help its business partners and production sites with the implementation of requirements for the avoidance of and fight against child labour. Various other guidelines mentioned below describe specific challenges and the requirements derived from these for suppliers of the REWE Group – also with consideration of forced labour and child labour.

A major reason for child labour is poverty. This is why the REWE Group, in addition to measures to fight against child labour, also focuses on promoting living wages and income. For more information, see [Living Wages and Income](#).

Projects and measures to fight against child labour and forced labour

Risk analysis: Forced labour in the supply chain

In 2019, the REWE Group conducted a risk analysis to determine risks of forced labour in the supply chain. Firstly, the risks of forced labour were determined for all countries through which the supply chains of the REWE Group extend. In a second step, products and raw materials were analysed in consideration of the risk of forced labour. The data obtained was then linked to the country risks. A qualitative analysis of hot spots was then conducted. The occurrence and causes of forced labour were examined specifically in relation to these hot spots in case studies. Based on all of the analysis results, the REWE Group develops suitable measures to minimise risk.

Avoiding child labour and forced labour in raw material production

The REWE Group relies on internationally recognised certification standards to fight against child labour and forced labour at the raw material production stage and ensure socially responsible working conditions. The most important organisations are Fairtrade, the Rainforest Alliance, Cotton made in Africa, MSC, ASC, GlobalG.A.P. (GGN) and Naturland. They guarantee higher standards for raw material production and more transparent supply chains. Child labour and forced labour are prohibited under these standards. With regard to the raw material palm oil, the standard of the Roundtable on Sustainable Palm Oil is also key – this aims to ensure that no child labour or forced labour takes place on plantations.

Special case of child labour in the cocoa sector

Due to structural poverty and a lack of educational facilities, child labour is widespread in cocoa production. In order to keep costs as low as possible, children often help during the harvest, especially in small, family-based operations. The REWE Group is committed to ensuring that cocoa-containing products in its ranges are produced with respect for human rights and in compliance with recognised social and labour standards. For this purpose, the commercial company relies on relevant certifications such as Fairtrade, the Rainforest Alliance or Naturland. For more information, see also [Guideline on Cocoa Products](#).

Measures to prevent forced labour in the fishing sector

A large share of traditional fishing and work in aquaculture farms takes place in Asia and Africa. In many cases, the working conditions in the countries there do not meet internationally recognised standards – in particular, there is an increased risk of forced labour. The aim of the REWE Group is to ensure respect for human rights and compliance with fundamental social and occupational safety standards in the seafood sector. The basic principles of not using child labour and, in particular, forced labour when working with suppliers of fish and seafood are especially relevant. By sourcing certified goods, the farms in the aquaculture supply chain are also checked for compliance with these basic principles through audits. Since there is still no established certification for labour and human rights when it comes to fishing boats, the REWE Group is committed to ensuring that social principles are included in the standards for wild fish and guaranteed through certifications. For more information, see [Guidelines on Fish and Seafood](#).

For more information on dealing with child labour and forced labour on the resource-extraction level, see [Raw Materials in Focus – Food](#) and [Raw Materials in Focus – Non-Food](#).

Monitoring the ban on child labour and forced labour through social audits

To monitor compliance with the ban on child labour and forced labour in processing and production, social audits are regularly carried out, principally applying the amfori BSCI standard (see [Social Aspects in the Supply Chain](#)). All production sites in the first supply chain link of defined risk countries are inspected during these audits. They take place both announced and unannounced. Afterwards, the respective company receives a rating based on the audit results. If the audit reveals a case of child labour or forced labour, the audited company does not receive an overall rating. Rather, the amfori BSCI zero-tolerance mechanism takes effect: The auditor triggers a warning message, stops the audit, and collects evidence to prove the violation. The violation is then reported to the amfori BSCI office within 24 hours of its discovery. Within 48 hours after the allegation has been made, the Auditing Department checks the facts, the evidence as well as the training and competencies of the auditor. Within 72 hours of the discovery, all amfori BSCI participants concerned form an ad-hoc remediation group to define the next steps and initiate measures, the implementation of which will be checked.

Strategically relevant production sites also take part in the Factory Improvement Training (FIT) of the REWE Group. Here, the challenges of the production sites are addressed individually. If there are risk factors for forced labour or child labour in a factory, these are dealt with during the training.

Cooperation with children's rights organisation

Cases of child labour and forced labour are not tolerated at the REWE Group and are dealt with thoroughly. In order to be able to react quickly in cases of child labour, the REWE Group has been working with the children's rights organisation "The Centre of Child Rights and Business" (formerly the Center for Child Rights and Corporate Social Responsibility) since 2018. The organisation advises companies on the implementation of strategies and programmes to ensure children's rights in supply chains. Through this cooperation, the REWE Group benefits from the expertise and network of the organisation, maintains dialogue with relevant stakeholders within the working group, and can use tools developed by the organisation. If cases of child labour are discovered, the centre helps the company to implement solutions.

Handling of complaints and evidence of forced labour or child labour

The REWE Group promotes the construction of effective complaint mechanisms in the supply chain. By doing so, the company wants to ensure that grievances in the supply chains can be discovered. This also concerns the reporting of cases of child labour and forced labour. The REWE Group already uses audits and certifications to check whether production sites offer their employees the possibility to make complaints. The REWE Group has developed a systematic process to handle complaints (for more information, see [Social Aspects in the Supply Chain](#)).

In 2021, the REWE Group received four complaints. All four cases were handled by applying a systematic process. In three cases, the trigger was suspicion of forced labour. In the first case, there was the suspicion that a supplier was illegally having work carried out in a prison. Based on an on-site investigation, however, this suspicion was cleared. In the second case, migrant workers had to pay fees themselves, such as for a work permit. Even though a subsequent evaluation revealed that this was not a case of forced labour, work is being done with the supplier concerned to improve processes. In the third case, a supplier was forcing its workers to do overtime. Since the supplier was not willing to change this practice even when asked, the REWE Group terminated the cooperation. The fourth case

concerned rights violations related to child labour, occupational safety and wages. This case was still under investigation at the end of 2021. It is being evaluated whether the rights violations took place in the supply chain of the REWE Group.



GRI 412, 414

Social Aspects in the Supply Chain

The REWE Group sources a large number of products and product components through supply chains which can extend across multiple countries. The supply chain links of raw materials production and processing involve a heightened risk of non-observance of labour and social standards. Therefore, these areas are the focus of REWE Group activities.

These activities connected to social aspects and fairness within the supply chain centre on the area of action of people within the [Green Products Strategy 2030](#) and are aimed at observing and strengthening human rights, improving working conditions, and promoting fair trade. In addition, binding standards for shared supply chains are to be implemented in cooperation with business partners and suppliers and dialogue is to be promoted between all partners.

GRI 414: Supplier social assessment

GRI 412: Human rights assessment

Management approach

Principles

The [Guidelines on sustainable business practices](#) of the REWE Group applies to all business relationships. It is based on the UN Universal Declaration of Human Rights, the conventions of the International Labour Association (ILO), and the UN Global Compact. It addresses such issues as a ban on forced labour and exploitative child labour as well as fair employee policies. The REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached. These requirements are defined in the guidelines (see box below) and the [Supplier Code of Conduct](#) updated in 2021.

In its [Declaration of principles on human rights](#), the REWE Group commits to strengthening human rights and preventing human rights violations. This commitment applies both to our own business activities and to our global supply and value chains. Due to the special features in the tourism industry, in 2019, DER Touristik Group adopted its own, additional [policy statement on the observance of human rights](#) and also implemented a Supplier Code of Conduct. Company guidelines and processes are adapted with regard to human rights due diligence and the

measures formulated are gradually implemented.

Guidelines define the operational framework

The Guideline on Fairness, updated in 2021, represents a further component of the REWE Group for the implementation of human rights due diligence. In this guideline, the company seeks to strengthen human rights, improve working conditions, and promote fair trade within the supply chains of all private label products sold in Germany at REWE, PENNY and toom Baumarkt DIY stores. Additional guidelines which deal with social aspects in the supply chain include the [Guideline on the Prevention of Child Labour](#), the [Guideline on Living Wages and Incomes](#) and the [Guideline on Women in the Supply Chain](#). For more information, see [Child Labour and Forced Labour](#), [Living Wages and Income](#) and [Women in the Supply Chain](#). These guidelines define binding operational frameworks for business relationships with contact partners and specify requirements and goals. They are continuously updated on the basis of the latest developments.

Position on the due diligence act

The REWE Group believes it needs binding framework conditions in order to create fair conditions along global supply chains. This is why, at the end of 2019, the company called for binding framework conditions which create fair conditions along global supply chains. However, it also noted that a national supply chain law is not sufficient, since only an international legislative process is able to achieve this effectively and also involve all value chain stakeholders in a binding manner. Of course, the commercial company believes that human rights must not be negotiable.

In addition, the REWE Group worked intensively on implementing the German Supply Chain Due Diligence Act in 2021. For this purpose, a detailed gap analysis focused on product supply chains was performed to identify strategic or operational gaps. As a result of this, the following measures were derived for 2022 and 2023:

- 1. Optimisation of internal processes:** The REWE Group is continuing to work on optimising its internal processes to ensure human rights due diligence.
- 2. Expansion of supplier evaluation process:** The REWE Group is developing an overarching supplier evaluation process. This is intended to provide a more comprehensive means than before of prioritising suppliers in terms of their human rights risks and taking targeted measures in order to work in cooperation with them on minimising or eliminating these risks.

3. **Analysis of purchasing practices:** The REWE Group is reviewing its purchasing practices in terms of human rights risks and incorporating the results into its risk analyses.
4. **Optimisation of at-risk raw material analysis:** The REWE Group will continue to optimise the content of its tried and tested approach to analysing at-risk raw materials in order to enable stronger internal orientation.
5. **Analysis and further development of measures:** The REWE Group continuously reviews the introduction of new measures in order to further reduce or eliminate the risk of human rights violations in its supply chains.
6. **Intensification of training:** The REWE Group is expanding its training concept designed to make employees aware of human rights due diligence.

Strategy process

A four-stage process is at the heart of building fairer supply chains at the REWE Group. It is used to systematically determine, minimise and prevent potentially negative impacts of business activities on human rights:

Step 1: Detailed risk and hot spot analyses are used to identify impacts. Since 2016, the REWE Group has significantly expanded and systematised its approach to recording risks. For more information, see [Product-Related Risk Analyses](#).

Step 2: The findings obtained in the first step are used to derive focus raw materials and issues. Three focus issues have emerged which affect a large number of focus raw materials and countries. These are [Child Labour and Forced Labour](#), [Living Wages and Income](#) and [Women in the Supply Chain](#).

Step 3: The focus raw materials and issues are addressed with corresponding measures to counteract negative effects. These measures are implemented through a management approach which works on three different levels:

- i. [Internal cooperation](#), through training of purchasers, for example
- ii. [Cooperation within the supply chain](#), through requirements for suppliers or for purchasing certified raw materials, for example
- iii. [Cooperation with stakeholders](#), by further developing standards organisations, for example

Depending on the risk identified, different measures are defined such as, for example, the requirement of standards and certifications, cooperation with standards organisations, the joining of industry initiatives as well as on-site projects with suppliers and producers.

Step 4: The activities that we conduct are monitored and evaluated. The results of this monitoring work are then incorporated into refining the measures.

Goals

In order to make progress measurable in the area of action of people, the following key performance indicators (KPI) for private labels have been defined (for more information, see the overarching management approach for [Green Products](#)):

Goals	Status
Complete integration into a training programme (capacity building) for strategically relevant production sites in the case of the private labels of REWE and PENNY in Germany as well as toom Baumarkt DIY stores by the end of 2030	↻
Improvement of access to complaint mechanisms in relevant supply chains in the case of the private labels of REWE and PENNY in Germany as well as toom Baumarkt DIY stores by the end of 2025	↻

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

Implementation

Through the REWE Group's local purchasing companies, requirements and problems can be discussed directly with suppliers and production sites. In addition, any necessary measures can be implemented. In Asia, for example, the sourcing and procurement office REWE Far East (RFE) is responsible for the procurement of certain food and non-food products and plays an important role in the improvement of working conditions in the supply chain. The Corporate Responsibility Department of RFE maintains direct contact with suppliers and assists with the social compliance process on site.

The complexity of the value chain with a large number of destination countries and service providers also poses major challenges for the travel industry. For instance, within the scope of its human rights due diligence, in 2018, DER Touristik Group carried out a risk analysis to determine actual and potential negative impacts of its business operations on human rights (for more information, see [Product-Related Risk Analyses](#)). The risk analysis scheduled for 2020 has been postponed due to the corona pandemic and is planned for 2022. DER Touristik regards the human rights due diligence process as a continuous, ongoing task.

Complaint mechanisms

The REWE Group has developed a strategy for further developing and implementing complaint mechanisms in its supply chains and documented this in its [Guideline on Fairness](#) which was updated in 2021. According to the risk analyses, the company has defined a) focus raw materials and b) the production sites in risk countries as relevant supply chain areas. In these supply chain areas, there are already approaches for internal complaint mechanisms and external “back-up” complaint mechanisms. The latter are intended to ensure that those concerned are able to address their complaints to a different organisation if they come to a dead end in the company they work for.

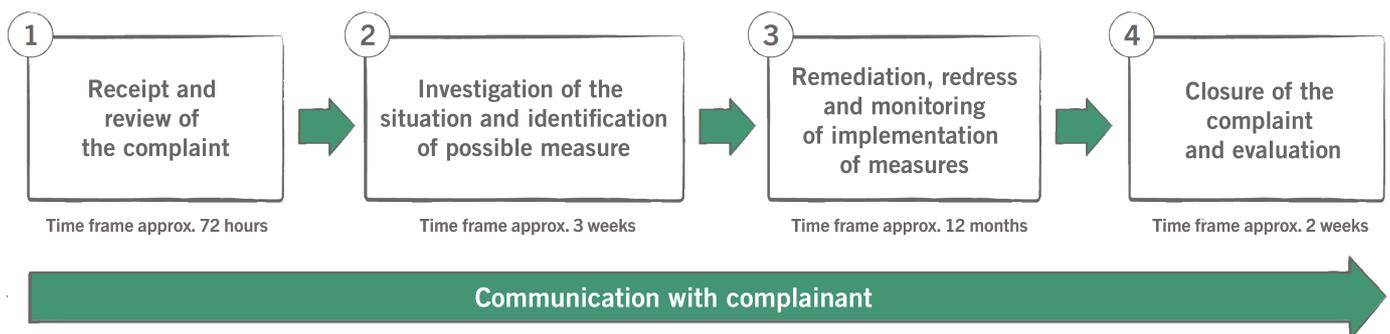
Therefore, by raising awareness and through training, the REWE Group is promoting the use and quality of existing complaint mechanisms and strengthening the expansion of “back-up” mechanisms.

The company is implementing relevant measures to promote internal mechanisms: For example, the REWE Group formulates specific requirements for the design of effective internal complaint mechanisms in its Supplier Code of Conduct (see Principles) which was updated in 2021. As part of the REWE Group's Factory Improvement Programms support is being provided to build internal complaint mechanisms into the deeper levels of the supply chain as previous experience shows that many production sites still need to catch up when it comes to establishing transparent, trustworthy processes which are actually practised. Together with an experienced service provider, the REWE Group analyses the complaint mechanisms of factories in terms of structure and possible hurdles for employees. Particular attention is paid here to the accessibility of complaint mechanisms for migrant workers and women, for example. For instance, factories are urged to provide information in the mother language of migrant workers or designate female contacts in a targeted manner.

In order to expand back-up mechanisms, the REWE Group relies on the support of audit and certification systems, many of which are also currently developing their complaint mechanisms. The REWE Group is actively involved in amfori's project group which is working to develop a complaint mechanism in the supply chain. A pilot project for this has been running in Vietnam since 2021.

Complaint process

Business partners must report any suspected violations of regulations, laws and principles. When the REWE Group receives external complaints about incidents via formal channels such as the whistleblower system, through standards systems, or via other informal channels, an internal process to investigate and resolve the complaint takes effect, with the involvement of the complainant:



1. Receipt and review of the complaint

After the complaint has been received, it is documented and checked for reliability. Relevant contacts within the REWE Group are informed.

2. Investigation of the situation and identification of possible measures

The complaint is then investigated – for example, through conversations with suppliers, industry initiatives or NGOs, through on-site visits, or in the form of interviews with those affected. Effective measures are identified on the basis of the results.

If a complaint relates to child labour, the REWE Group works together with the organisation The Center for Child Rights and Business (formerly CCR-CSR) to ensure that remedial action can be taken in the interests of the child's well-being (also see the REWE Group's [Guideline on the Prevention of Child Labour](#)).

3. Remediation, redress and monitoring of implementation of measures

The supplier or production site in question must implement the defined measures. These might include stopping the behaviour that has been criticised, preventive measures through training, or redress for those affected, for example through compensation. The REWE Group continuously monitors implementation of the measures. The failure to implement such measures can ultimately also lead to the supplier being excluded from future orders.

4. Closure of the complaint and evaluation

If countermeasures have been successfully implemented, the complaint is closed.

GRI 414-2

Negative social impacts in the supply chain and actions taken

The REWE Group implements specific measures to reduce negative social impacts through the following three approaches:

1. Internal cooperation

The REWE Group is working to further integrate sustainable procurement into its purchasing processes so that sustainability aspects are taken into consideration for each purchasing decision. Through the provision of risk analyses and briefings, the agreement of binding goals with the purchasing departments as well as training on sustainability topics, the REWE Group is helping to raise awareness internally. In 2021, for example, 37 employees from the relevant purchasing department of the REWE Group received training on social compliance in the area of fruit and vegetables.

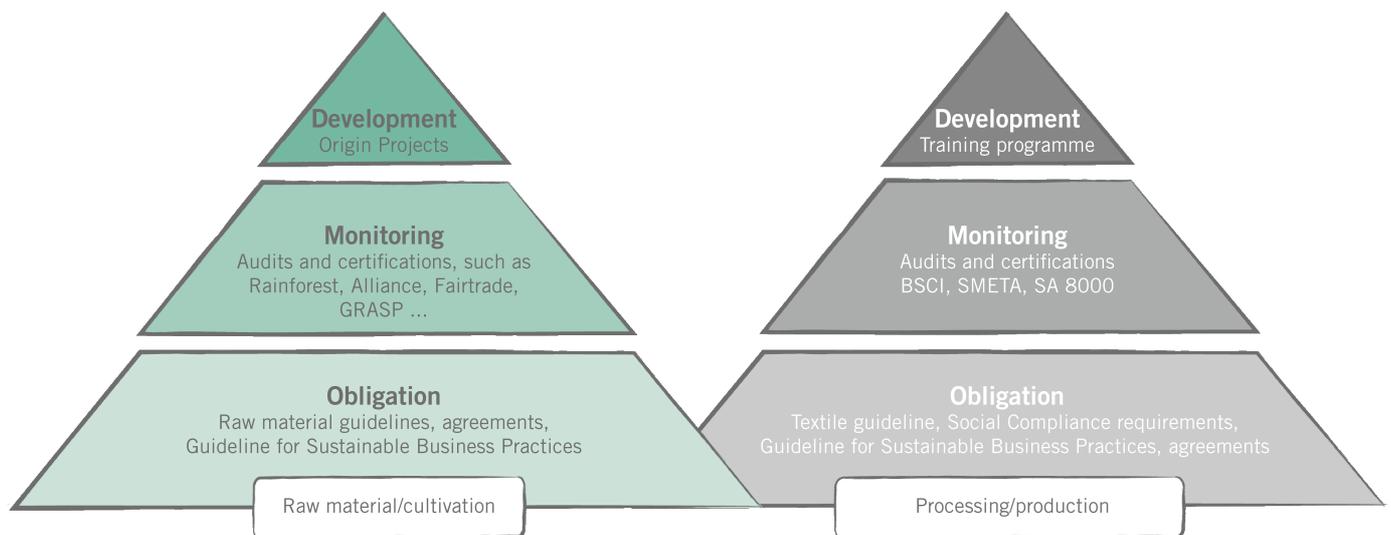
In addition, employees – particularly those working in purchasing at the REWE Group – receive regular training on relevant topics in the area of labour and social standards. This means that the defined standards – such as, for example, the requirement for social audits – are given consideration when selecting suppliers and during the purchasing process. Internal reports enable continuous development within the area of action of people. External communication creates transparency for stakeholders.

2. Cooperation within the supply chain

The REWE Group addresses sustainability risks in the supply chain that are pertinent to the area of action of people in a targeted fashion through systematic supply chain management involving close cooperation with suppliers as well as commitments on the production site and raw materials production levels. By doing so, the REWE Group is initially increasing transparency along the supply chain for private label products, where this is not already present. This enables risks to be identified and then avoided or directly addressed more effectively. Efforts are also made to

integrate sustainability into the supplier evaluation process.

In its supply chain management, the REWE Group takes a three-step approach with regard to the area of action of people, which includes formulation of requirements, monitoring and developing the suppliers and supply chains:



Suppliers are contractually obliged to comply with the Supplier Code of Conduct (see [Principles](#)) which was updated in 2021. All business partners in the private label supply chains of the REWE Group are obliged to name the production sites in which products for the REWE Group are produced. Through awareness campaigns and the obligations of contract partners, it is possible to create specific rules to implement sustainability in the entire supply chain. These requirements are checked by the Sustainability Department of the REWE Group during the purchasing process.

Business partners of the REWE Group are obliged to comply with minimum requirements such as international and national laws as well as the core labour standards of the International Labour Organization (ILO). This is accompanied by the obligation to comply with the following principles in particular:

- Any form of discrimination is prohibited. Business partners undertake not to exclude or favour people on the basis of their gender, their origin or for any other reason.
- Business partners must pay their employees at least the applicable national minimum wage regularly (at least monthly).
- Business partners must ensure that working hours correspond to the applicable national statutory or industry-standard working hours.
- Business partners comply with occupational health and safety regulations in accordance with national law and international standards.
- All business partners enable employees to exercise their right to freedom of association and collective bargaining agreements.
- Business partners are careful not to employ any children in their operations.

- Business partners must ensure fair and respectful treatment of employees.
- Business partners must excluded any form of forced or compulsory labour or human trafficking.

The REWE Group is constantly raising awareness of human rights and working conditions, whether at supplier events or during individual discussions with suppliers. This includes, for example, the Social Improvement Coaching, carried out in 2020, which trains suppliers on how to continuously improve social standards and working conditions at production sites.

Raw Materials in Focus

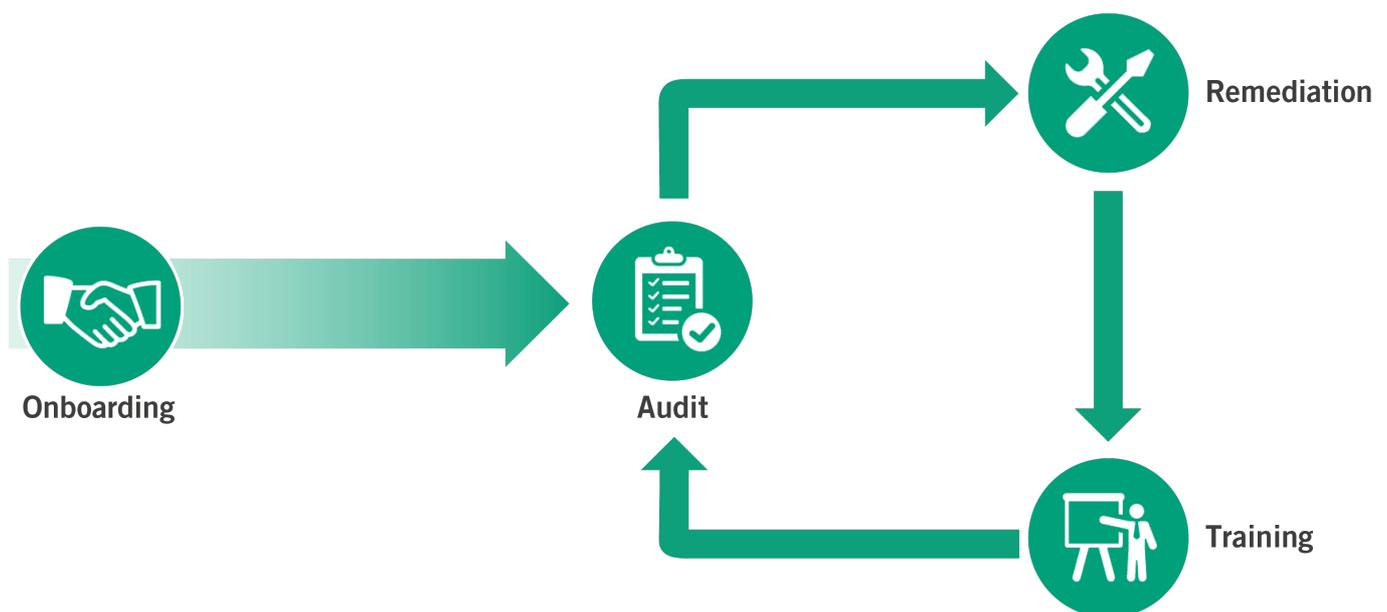
Based on the product-related risk analyses, the following critical raw materials have been defined to be relevant to the area of action of people for REWE and PENNY in Germany: coffee, cocoa, tea, palm oil, juices (in particular orange juice), fish, fruit and vegetables such as, for example, bananas or pineapples as well as cotton/textiles and natural stone.

Raw materials (main supplier countries) for REWE and PENNY in Germany

The REWE Group has defined guidelines with detailed requirements and goals certain focus raw materials. For more information, see Raw Materials in Focus – Food and Raw Materials in Focus – Non-Food.

Processing in risk countries: the social improvement programme

All production sites in the first supply chain link of defined risk countries are being integrated into the REWE Group's Social Improvement Programme, which follows the three-step approach of requirements, monitoring and development. For these risk countries, the REWE Group takes guidance from the assessment of amfori. This is based on the governance indicators of the World Bank and other indices and is updated annually.



If no social audit has been carried out yet, new suppliers and production sites are informed about the requirements of the REWE Group through **onboarding (1)** and given support to prepare for the first audit.

In the second step, all production sites in risk countries are obliged to present evidence of **audits (2)** by recognised certification organisations or verification systems. These audits – both announced and unannounced – are carried out by independent third parties. Recognised social audits include audits according to the standard of amfori BSCI or the SA8000 standard as well as SMETA audits of the Supplier Ethical Data Exchange. In addition, textile production sites in Bangladesh must also conduct building and fire safety inspections as part of the “Bangladesh Accord on Fire and Building Safety” (see [Factory Improvement Training](#)).

In order to continuously improve labour and social standards, the REWE Group records the audit results. If requirements are not complied with, it works together with the suppliers to define improvement measures (**remediation (3)**) and the production sites are urged to participate in amfori BSCI sessions and further **training (4)**. If production sites are not prepared to bring about improvements, the REWE Group, as a last resort, reserves the right to terminate the business relationship.

Percentage of production sites in the stages of the social improvement Programme¹

	2019	2020	2021
Onboarding stage	0%	0.3%	0.7%
Audit stage	100%	99.7%	99.3%

Percentage of production sites according to their audit results

SA8000	4%	3.5%	2.4%
Naturland	0%	0.2%	0.2%
amfori BSCI A	5%	4.4%	4.4%
amfori BSCI B	8%	6.6%	6.0%
amfori BSCI C	67%	68.5%	68.9%
amfori BSCI D	2%	0.9%	2.2%
amfori BSCI E	0%	0%	0%
SMETA	6%	6.6%	6.0%
Expired audit	8%	9.4%	9.2%

¹ Figures have been rounded. The calculation was made on the basis of the number of production sites and includes all production sites of REWE, PENNY and toom Baumarkt DIY stores in Germany for food and non-food products in the first supply chain link in risk countries.

The risk analyses, factory visits and work with stakeholders show that employees at many points in the supply chain still lack the knowledge and management experience required to implement processes and guidelines in order to ensure good working conditions and human rights.

Factory Improvement Training (FIT)

For its strategically important production sites, the REWE Group has set up a training programme (“Factory Improvement Training”, FIT) to build social skills. It is intended to help them better understand the importance of compliance with REWE Group standards for sustainable business practices and establish systems and work procedures in order to strengthen sustainable business practices. Specifically, the production sites receive support with measuring and improving the social working conditions in their factories. In addition, the plan is that they will increase their personal responsibility to such an extent that they are able to implement their own programmes for compliance with social standards.

To achieve this, managers at strategic production sites take part in an 18-month modular training programme to learn about health and safety, complaint mechanisms, wages and working hours as well as ethical recruitment. There are also modules on women empowerment/leadership training. Where useful, the programme includes group training sessions, in which challenges common to various production sites are addressed. Prior to all this, the factories are analysed with regard to their social standards and individual action plans are drawn up based on the results. In order to record progress, key figures are defined and continuously measured, and employee surveys are carried out.

The REWE Group aims to fully integrate all relevant production sites of its strategic suppliers into the FIT programme by the end of 2030. Since 2018, 14 factories in China, Thailand, Vietnam and Bangladesh have completed the training. In addition to improving complaint mechanisms, carrying out training to raise awareness about modern slavery, and covering various occupational safety topics, the training enabled ten factories to design improved processes for recording working hours. This also had a positive impact on the correct payment of wages for overtime. In 2021, 13 additional factories from China, Pakistan and India started the programme.

In order to implement a programme aimed at ensuring reliable safety in the textile industry in Bangladesh, the REWE Group signed the Bangladesh Accord on Fire and Building Safety in 2013 and the subsequent “2018 Transition Accord” in 2017. The REWE Group also supports the RMG Sustainability Council (RSC), which was founded in 2020 and has officially taken over the tasks of the agreement in Bangladesh. In May 2021, the REWE Group signed the three-month extension of the “2018 Transition Accord”. The REWE Group also plans to sign the new “International Accord for Health and Safety in the Textile and Garment Industry”, which would be valid until October 2023.

3. Cooperation with stakeholders

When it comes to dealing with sustainability risks in the production of private label products, the challenges often lie in the global trade structures. These are influenced by political and social framework conditions. An important starting point for identifying the relevant topics and implementing the sustainability strategy is therefore good cooperation with the stakeholders. The REWE Group is in continuous exchange with them and invites them to regular dialogue events.

In addition, the REWE Group is involved in the following national and international initiatives which deal with human rights and working conditions in the respective context – detailed descriptions of individual initiatives can be read in [Industry Initiatives and Memberships](#):

- Member of **amfori BSCI**
- Member of the **Bangladesh Accord on Fire and Building Safety**
- Member of the **Competitive Cashew Initiative**
- Member of the **Consumer Goods Forum**
- Member of the board at **Cotton made in Africa**
- Founding member of the **German Initiative on Sustainable Cocoa (GISCO)**
- Founding member of the **Forum for Sustainable Palm Oil (FONAP)**
- Member of the Technical Committee of **GLOBALG.A.P. GRASP**
- Participation in the **Initiative for Sustainable Agricultural Supply Chains**
- Founding member of the **Partnership for Sustainable Orange Juice (PANAJO)**
- Member of the **Rainforest Alliance Standards Committee**
- Member of the **Roundtable on Sustainable Palm Oil (RSPO)**
- Member of the **Sustainable Juice Platform**
- Member of the **The Centre for Child Rights and Business**
- Member of the **World Banana Forum**

GRI 414-2:

Employee training on human rights policies or procedures

See [Internal Cooperation](#).



GRI 414

Living Wages and Income

The REWE Group sources a large number of products and product components through supply chains which can extend across multiple countries. Raw material production and processing involve a heightened risk of non-observance of labour and social standards – for example, in the payment of wages and income. Therefore, these supply chain links are the focus of REWE Group activities.

Living wages are a focus issue in the area of action of people within the [Green Products Strategy 2030](#). The aim of efforts within the scope of this focus issue is to help improve the wage and income situation in supplier countries.

Background

A living wage must be high enough for workers and their families to have a humane living standard – this includes funding for food, water, accommodation, education/schooling, healthcare, transport, clothing and other essential needs – including a reserve for unforeseen events. In many countries, the statutory minimum wage is far below the poverty line. Since many self-employed workers such as small farmers do not receive a wage, but rather earn their income by selling their goods or services, the term “living income” has also been introduced. In this text, the definition applies to the net annual income.

GRI 414: Supplier social assessment

Management approach

Principles

The REWE Group is committed to ensuring that products are produced in their ranges with respect for human rights. All business partners of the REWE Group are contractually obliged to comply with minimum requirements, such as national and international laws and the core labour standards of the International Labour Organisation (ILO) and to acknowledge the [Guidelines on Sustainable Business Practices](#). They cover matters such as compensation requirements and fair employee policies. For example, they stipulate that all companies in the supply chain must pay their employees the applicable national minimum wage regularly (at least monthly). The REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached. The REWE Group also takes responsibility for strengthening human rights and preventing abuses of human rights in its

Declaration of principles on human rights.

Guidelines define the operational framework

In its Guideline on Fairness, the REWE Group has outlined its commitment to strengthening human rights and improving working conditions within the supply chains of all private label products of REWE, PENNY and toom Baumarkt DIY stores. In addition to child labour and forced labour as well as women in the supply chain, a living wage and income is a focus issue in the area of action of people. In its Guideline on Living Wages and Incomes, the REWE Group raises awareness with regard to the importance of a living wage and income in the supplier countries and identifies specific measures and goals. The guideline defines a binding operational framework for the REWE Group and its business relationships with contract partners.

Goal

The REWE Group has set itself the long-term goal of embedding the realisation of a living wage and income in its global supply chains in its sustainability strategy.

Implementation

To support a living wage and income in the entire supply chain, the REWE Group pursues the overarching management approach for responsible supply chains (see Social Aspects in the Supply Chain).

Training and education programmes support implementation

Training helps suppliers and producers implement the requirements of the REWE Group and ensures continuous improvement. In various projects the REWE Group works directly with raw material producers to overcome the challenges. In cooperation with Fairtrade and four Fairtrade small farmer organisations in Brazil, the REWE Group is involved, for example, with training programmes designed to provide a better income as well as improved living and working conditions for small orange producers. In accordance with the principle of “helping people to help themselves”, orange farmers learn how to operate more efficiently and how to work in a more socially and environmentally conscious manner (also see Guideline on Juices).

Cooperation with stakeholders

The REWE Group encourages continuous dialogue with a large number of stakeholders and is involved in various national and international initiatives, alliances and forums. For example, the REWE Group is a member of organisations such as the Competitive Cashew Initiative, which aims to increase the competitiveness of the cashew value chain in selected African countries.

Along with other German retailers, the German Federal Ministry for Economic Cooperation and Development (BMZ) and the German Society for International Cooperation (GIZ), the REWE Group is part of the “German Retailers Working Group on Living Income and Living Wages” (see also A Living Wage for Banana Workers). In a first step, the

activities of the working group are geared to global agricultural supply chains for the private label products of members. Together, the members have developed a voluntary commitment for this issue, which the REWE Group has signed. Through this, it pledges to be actively involved in the development and implementation of responsible business practices – in coordination and cooperation with all relevant stakeholders in its global supply chains. Measures taken in this regard include establishing the topic within the companies as well as conducting supplier surveys on sustainable procurement practices and knowledge of production conditions on site.

In 2020, the REWE Group teamed up with the German Federal Ministry for Economic Cooperation and Development (BMZ), the Christian Initiative Romero (CIR), and TransFair e. V. to found the Partnership for Sustainable Orange Juice (PANAJO). The members are committed to actively promoting social justice, labour rights, occupational health and safety, and environmental protection in the orange juice supply chain. Brazilian orange juice production is the focus here. Together with the Sustainable Juice Platform, the REWE Group is also funding projects such as the creation of a living wage benchmark analysis for orange cultivation in Brazil. As a member of this European initiative, the REWE Group has already been championing social and environmental improvements in the supply chains of the fruit juice industry since June 2016.

Pilot projects to ensure a living wage and income

Through pilot projects in focus supply chains, the REWE Group wants to contribute to implementing measures and evaluating the resulting successes. As part of this, the commercial company has set itself the goal of trialling approaches to ensure a living wage and income by 2025 and, if these are successful, to upscale them. The first pilot projects have already been implemented:

A living wage for banana workers

The REWE Group is involved in various initiatives aimed at establishing a living wage in banana cultivation. The aim is to improve the wages and social conditions of workers on banana plantations. For example, the REWE Group is a member of the “Working Group on Distribution of Value” within the World Banana Forum, which is affiliated with the Food and Agriculture Organization of the United Nations. Numerous activities within the banana supply chain are brought together here.

Banana cultivation is also an important topic within the “German Retailers Working Group on Living Income and Living Wages”. The close cooperation with farms and standards organisations enables the development of a tailor-made strategy for the value chain of bananas. As part of a pilot project in Ecuador focused on banana cultivation, the working group, in a first step, conducted a survey of banana suppliers on supply chain structures and procurement standards. Based on the findings, the focus of measures is on empowering employee representatives who stand up for the rights of workers on the plantations, introducing effective complaint mechanisms, and ensuring a monitoring system for wage and working conditions. This enables risks to be analysed and effective measures to be developed and adapted. These measures are to be implemented in cooperation with standards organisations and local, civil society organisations.

In December 2021, the members of the working group – ALDI Nord, ALDI SÜD, Kaufland, Lidl, the REWE Group and dm-drogerie markt – attended a kick-off event where they agreed to gradually integrate living wage criteria into the banana portfolio of their private labels. These include, for example, responsible procurement practices, strong employee representation, transparent wages and working conditions. Starting in 2022, these criteria are to be developed and piloted as part of a participatory process of dialogue and consultation with supply chain partners and other relevant stakeholders. The criteria are to be defined and implemented according to the principle of “shared responsibility, shared reward, shared risk” between the stakeholders of the supply chains of the respective retailers. From spring 2023, the first bananas which meet the living wage criteria will then be traded in the stores of retailers. The working group wants 50 per cent of the product range to be living wage bananas by 2025 and therefore achieve its vision for the banana sector.

Additional surcharge for cocoa farmers

In cooperation with the German Federal Ministry for Economic Cooperation and Development as well as the organisation Fairtrade, the REWE Group was one of the first food retailers in Germany to launch a project for a living income in the cocoa sector: In addition to the respective Fairtrade premiums and minimum prices, the cocoa farmers receive an additional surcharge which is based on the Fairtrade reference price for a living income. As part of this project, Fairtrade chocolate bars have been sold at REWE and PENNY in Germany since mid-2021. The cocoa beans used for the cocoa mass from which these chocolates are produced can be completely physically traced.



GRI 414

Women in the Supply Chain

The REWE Group sources a large number of products through supply chains from around the world. These include countries where the state framework conditions for the protection of human rights are insufficient and where applicable labour and social standards are not observed. Women are often employed at the start of global supply chains and, in many cases, are excluded from economic opportunities and the benefits of international trade. Therefore, these areas are the focus of REWE Group activities.

The topic of women in the supply chain has been identified as a focus issue in the area of action of people within the Green Products Strategy 2030. The REWE Group aims to protect and promote women in its supply chains.

GRI 414: Social aspects in the supply chain

Management approach

Principles

The Guidelines on Sustainable Business Practices of the REWE Group applies to all business relationships. It covers matters such as fair employee policies and the prohibition of discrimination.

In 2020, the REWE Group joined the UN initiative “Women’s Empowerment Principles” and is committed to the targeted empowerment of women within the company and society.

In order to specify its requirements regarding the promotion and protection of women, the REWE Group published the Guideline on Women in the Supply Chain in 2021. It contains goals and measures for strengthening the rights of women along global value chains and promoting their economic independence and participation.

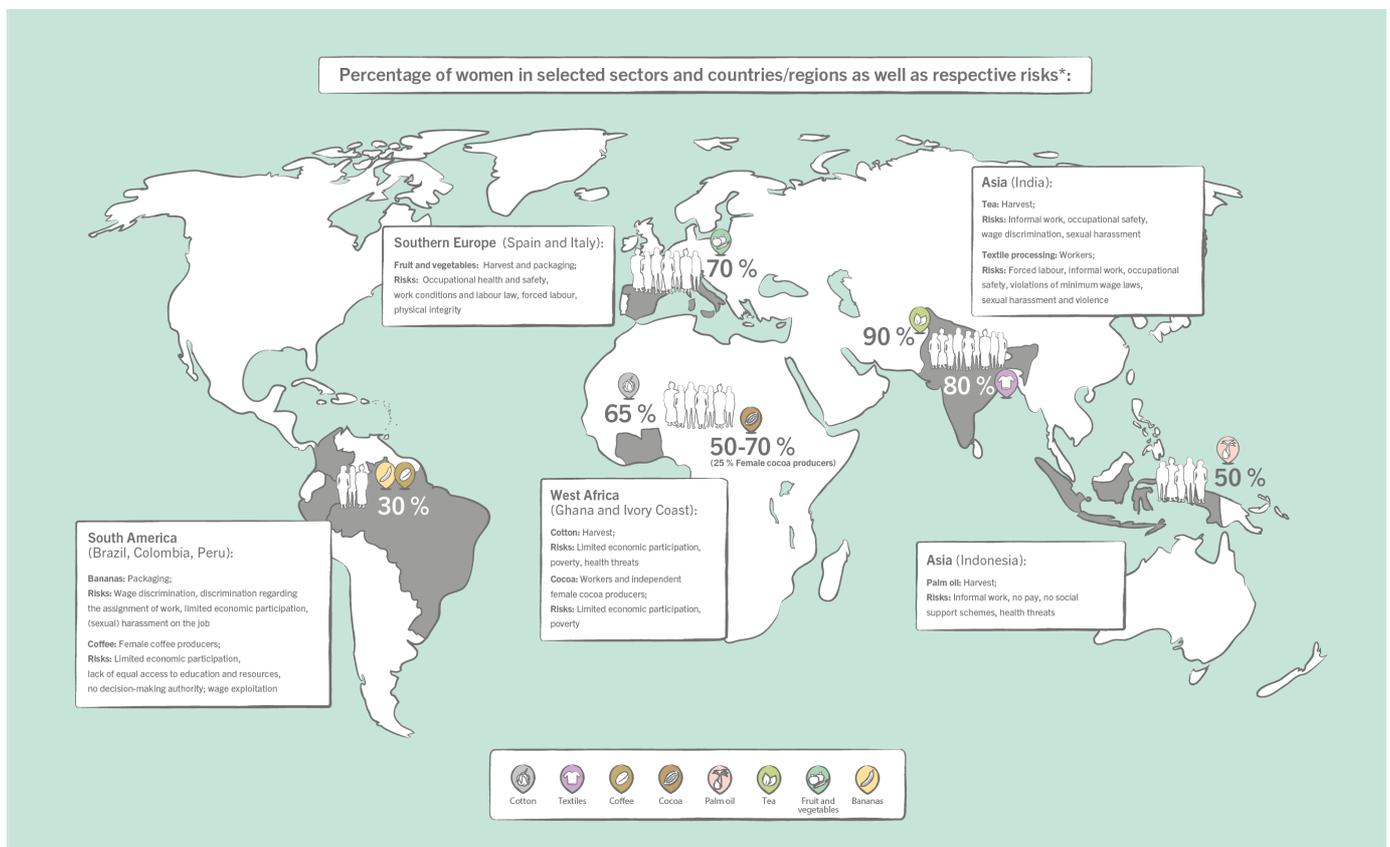
Implementation

The REWE Group follows a universal approach when it comes to empowering and promoting women along global value chains. First of all, this includes clear guidelines on the protection and promotion of women, which the REWE Group and its business partners in the supply chain are to use as guidance. The REWE Group also continuously reviews existing measures as part of this approach and adjusts them where necessary. In addition, new measures and goals are defined, where necessary, in order to address the needs of and risks to particularly affected supply chains

(i.e. those in which there is a high proportion of women and/or in which there are particularly big challenges).

Risk Analysis

In 2020, the REWE Group conducted a risk analysis to determine which negative human rights impacts women are particularly exposed to and in which sectors and countries relevant for the REWE Group the risks for women are particularly high. Particular attention was paid to the focus raw materials identified in the Guideline on Fairness. Furthermore, where the availability of data allowed it, the proportion of women in each of the sectors and countries under consideration was determined. Three risk areas were identified in the results: Precarious working conditions and low wages, occupational safety and health risks at the workplace, and a lack of participation in economic life – for example, because women are often not involved in decision-making processes or are legally restricted when it comes to acquiring property. In addition, it can be stated that women are present in all supply chains and there are risks everywhere – albeit to different extents.



Goals

Based on the findings of the risk analysis and a discussion on fairness with stakeholders from civil society, also held in 2020, the REWE Group defined three goals which are used to protect and promote women in its supply chains:

1. **Dialogue and communication:** The REWE Group seeks and maintains dialogue with standards organisations and other stakeholders to advocate for the rights and needs of women. During these discussions, it communicates its requirements to its stakeholders and trains relevant employees on the specific risks to and needs of women.
2. **Social capacity building programme:** The REWE Group ensures that training content addresses the specific needs of and risks to women in factories.
3. **Projects:** The REWE Group initiates individual projects which strengthen the rights of women and promote their economic independence and participation.

Measures and projects

The REWE Group is increasingly buying certified raw materials – for example, through Fairtrade, the Rainforest Alliance, the Global Organic Textile Standard (GOTS), Cotton made in Africa, the Roundtable on Sustainable Palm Oil (RSPO), XertifiX and the Forest Stewardship Council (FSC®). All production sites in the first supply chain link of defined risk countries must also provide proof of a social audit according to the standards of amfori BSCI or the SA8000 standard as well as SMETA audits. All of these certifications already set requirements for the equal treatment and protection of women, which are checked during audits. These include, for example, equal pay for men and women doing the same job, the prohibition of discrimination on the basis of gender, or the provision of appropriate advanced training.

In addition, the REWE Group implements various measures and projects to promote the economic independence and participation of women. Selected examples are presented below.

Social capacity building programme

As part of the Social Capacity Building Programme, managers at strategic production sites take part in an 18-month modular training programme to learn about health and safety, complaint mechanisms, wages and working hours as well as ethical recruitment. The training programme was run in factories for food and non-food products in 2020. That same year, checks were also made to find out whether the specific needs of and risks to women are being sufficiently addressed. Additional content was included as a result of this, with a focus on raising awareness amongst employees and management in order to prevent and counteract gender-specific discrimination at the workplace.

Improved conditions for cocoa farmers in Côte d'Ivoire

As a founding member of the multi-stakeholder German Initiative on Sustainable Cocoa, the REWE Group works together with other companies to support the PRO-PLANTEURS project, launched in 2015, which was implemented in collaboration with the German and Ivorian governments. By 2025, the aim is professionalise 30,000 cocoa farmers in the eastern and south-eastern regions of Côte d'Ivoire as well as their producer organisations in order to increase incomes and improve the living situation of families. In particular, the aim is to give women the opportunity to optimise their own income. PRO-PLANTEURS supports them, for example, during the production, processing and marketing of agricultural products. During the first phase of the project, around 3,000 farmers were trained in cocoa cultivation between 2015 and 2020. Also, 4,000 additional farmers received training on selected crops and animal husbandry for personal consumption, whilst 76 women were trained up as nutritionists.

Empowerment of women in coffee cultivation in Peru

The “Café Mujer” women's coffee in Peru is a current project of the REWE Group which specifically advocates for the empowerment of women in the supply chain. As part of this initiative, the organically grown Arabica beans for REWE Bio caffè crema pads are grown exclusively by women of the Fairtrade-certified “Valle de Ubiriki” cooperative. 120 farmers here cultivate the coffee gardens which they own in the Chanchamayo region in the heart of Peru. The REWE Group guarantees these women that it will purchase their entire annual production at the Fairtrade minimum price. Furthermore, Fairtrade employees organise workshops on, for example, operational practices such as post-harvest treatment or the promotion of women farmers through qualifications such as team leadership. In addition, the cooperative receives the Fairtrade Premium for local projects. The REWE Bio caffè crema pads bear the PRO PLANET label “Für bessere soziale Bedingungen” (For better social conditions).

Fairtrade roses: Long-term fair trade commitment

The REWE Group was the first food retailer in Germany to add fairly traded cut roses from East Africa to its product range when it introduced them to REWE and PENNY stores in 2007. Most of these roses, which bear the PRO PLANET label, come from Kenya. Pesticides frequently harm the health of the predominantly female workforce and the environment. Therefore, PRO PLANET roses are only sourced from Fairtrade flower farms. The Fairtrade seal obliges producers to limit the use of chemicals and pay workers fairly.



GRI 416

Customer Health and Product Safety

Product safety and the health of its customers are extremely important to the REWE Group and play a prominent role both in retail and in travel and tourism, with both industries having different requirements and challenges. In retail, the REWE Group is responsible for ensuring quality and thus protecting the health of customers. In travel and tourism, the REWE Group's main concern is to ensure the trust and safety of travellers. This includes comprehensive crisis and safety management, both in the holiday country and the home country.

GRI 416: Customer health and safety

Management approach in retail

Principles

The objective of quality management is to meet the ever-growing customer requirements by continuously ensuring the quality of products. In doing so, it is important to systematically improve internal structures and processes within the company and bring them up to measurable standards on both a national and international level. Since consumer satisfaction is the focus here, prevention and food safety form the basis for quality management along the entire value chain of the REWE Group.

Implementation

All activities relating to quality management – from preventive measures such as, for example, an established, systematic issue monitoring process and management system, and warehouse and store inspections through to supplier audits – are published in a semi-annual key figures report, the so-called Management Review of Quality Management, making them measurable and transparent.

A special focal point of quality management is private label products: The combine defines specific requirements for the products and their producers to meet in all steps along the value chain – from raw materials and recipes to labelling and packaging. The contents of these so-called specifications form the basis for regular spot checks conducted by independent accredited testing institutes. The random samples are determined on the basis of supplier and product risk. Foods like fresh fruit and vegetables are tested more frequently than products like salt and sugar.

For fruit and vegetables, the REWE Group has set the goal of minimising pesticide levels. For this purpose, a negative list specifies active ingredients which producers are not permitted to use in production. In addition, all fruit and vegetable products are regularly inspected for possible pesticide residue.

In addition to the products themselves, other links in the value chain are examined: All private label suppliers in the food area must be certified according to a standard recognised by the GFSI (Global Food Safety Initiative) such as, for example, IFS Food or the standard of the British Retail Consortium (BRC). Furthermore, the REWE Group conducts additional supplier audits on the basis of a risk analysis. This risk analysis involves evaluating a number of key figures like dissatisfaction with products, customer complaints and the risk classification of the product group. Manufacturers and suppliers who fail to meet the REWE Group's quality standards are asked to remedy the situation. Otherwise, they face the possibility of being delisted.

Moreover, annual audits of warehouses are conducted by internal auditors as well as an independent external inspection board. All areas of the warehouse are included in these audits, from incoming goods to transport to stores. In addition, special audits that focus on quality requirements for fruit and vegetables are conducted in warehouses.

Regular internal and external inspections are also conducted in the REWE Group's food stores. The external inspections are conducted on the basis of checklists prepared by QS Qualität und Sicherheit GmbH, Bonn. The lists focus on meat, meat products, fruit, vegetables and potatoes.

Products produced in REWE stores themselves, including ground meat (at the service counter) or fruit and convenience products, are subject to microbiological monitoring. These samples are examined by independent laboratories.

Responsibility

Quality assurance measures are implemented by Quality Management at the REWE Group. This serves, among other things, to protect the persons involved and prevent damage to the company's image.

A central customer service unit handles incoming queries and complaints. Quality Management uses the resulting key figures for supplier assessments, for example. From an organisational standpoint, the customer service department is no longer linked to Quality Management, but rather is associated with Retail Germany. From a technical standpoint, the customer service department coordinates closely with Quality Management.

Covid-19 pandemic: protection of employees and customers in stores

In order to protect employees and customers in stores, the REWE Group implemented targeted measures. For example, during times of lockdown, access was limited in some stores where customer inflow made this necessary. This was achieved through entry controls and by limiting the number of shopping trolleys or baskets. Customers were informed of any rules applicable in store via notices or posters.

In addition, all stores have a comprehensive HACCP hygiene concept and are cleaned several times a day. Stickers on the floor indicate to customers the minimum social distance to adhere to. Furthermore, REWE and PENNY have

installed transparent protective panels in the checkout area of all stores as a preventive measure for employees. Signage and the in-store radio explain to customers what measures have been taken.

Observance of strict hygiene rules in accordance with the requirements of the German Infection Protection Act is obligatory for all employees. In addition, they also adhere to the AHA-L rules (keep your distance, observe good hygiene, wear a mask in everyday life, ventilate regularly) which are also recommended by employers' liability insurance associations.

GRI 416-1:

Assessment of the health and safety impacts of product and service categories

As part of its quality management, the REWE Group systematically conducts health and safety audits through the entire product lifecycle. As part of these efforts, the REWE Group implemented a new IT application for product specifications as well as for laboratory and report management in 2020. As a result of this technical change, the number of product tests commissioned fell significantly from 2019 to 2020. In 2021, the number of product tests increased again.

Checks for compliance with legal and internal company health and safety requirements (absolute figures)¹

	2019	2020	2021
Supplier audits	522	483	677
Independent product tests for private labels ²	32,123	19,320	24,115
External warehouse audits	111	114	97
External store audits ³	3,804	3,687	3,761
Tests on products made in stores	16,606	17,306	17,733
Total number of audits/tests	53,166	40,910	46,383

¹ The figures relate to REWE und PENNY National as well as other products mandated in REWE Group Buying such as, for example, bundled PENNY International products.

² In 2020, the REWE Group implemented a new IT application for product specifications as well as for laboratory and report management. As a result of this technical change, the number of self-commissioned product tests fell compared to the previous year.

³ In 2020, external store audits were included and subsequently corrected for 2019. They are based on internal checklists, but are performed by external experts.

GRI 416-2:

Incidents of non-compliance concerning the health and safety impacts of products and services

In 2021, there were twelve public recalls of private label products in Germany and three in Austria. In Germany, foreign substances were the cause in six cases, four happened due to microbiological complaints, one recall concerned the sensor system of a product and another one was triggered because a wrong label was applied – as a consequence, allergens contained in the product were not fully indicated. In Austria, two recalls took place due to foreign substances in private label products, while the third recall concerned a microbiological complaint.

All public recalls are assessed by Quality Management and, if necessary, the suppliers concerned are audited by external experts on behalf of Quality Management. The goal of these audits is to check what measures are being introduced to operations to avoid such deviations in the future.

The public recalls carried out were isolated cases. There were not multiple instances for product groups or suppliers. In every case, customers were able to return the product a store and get a refund of the purchase price.

GRI 416: Customer health and safety

Management approach in travel and tourism

Principles

In acute crisis situations such as natural disasters, accidents or terrorist attacks, the REWE Group's goal is to ensure the trust and safety of travellers. This includes comprehensive crisis and safety management, both in the holiday country and the home country.

Implementation

The Crisis and Safety Management department at DER Touristik is responsible for the safety of travellers in emergency situations. In acute crisis situations such as natural disasters, accidents or terrorist attacks, Help Teams around the world provide support to units. These employees, who have also undergone training for crisis situations, take care of the safety of and provisions for travellers and employees at the particular site, and are an extension of safety management. They provide those affected with on-site assistance, acting as liaison with Crisis and Safety Management which controls crisis situations worldwide. The Crisis Management Centre coordinates the overall crisis response, organising transport to hospitals, alternative hotel accommodations or travel home as necessary. The Help Teams are stationed at various locations so that they can be at the site quickly.

The Crisis and Safety Management office is based at the headquarters of DER Touristik in Frankfurt. As part of crisis prevention work, employees there monitor current developments in travel regions around the clock. If one of the digital early-warning systems raises an alarm, measures can be taken in no time to manage the crisis. These measures include crisis hotlines for direct contact with affected individuals and close cooperation with destination agencies, government authorities, airlines and airports. Another focus is ensuring an up-to-date and qualified flow of information for all affected individuals and the general public.

Crisis management during the corona pandemic

With the ongoing corona pandemic, DER Touristik was also facing enormous challenges again in 2021. During the reporting period, the Crisis and Safety Management team recorded 153 major catastrophic events in total. Some of these involved complex support actions for the travellers there, but also extensive support activities to relaunch destinations. There were also 190 smaller crisis responses. In addition, a dedicated Covid-19 health hotline was established, in which the safety management team was significantly involved.

The Crisis and Safety Management department responded quickly and flexibly to the dynamic and complex development of the pandemic, with the setting up of test centres in destinations, for example. Dedicated test infrastructure was built in Spain and the USA. The health hotline operators received training specific to each pandemic status. Communication measures precisely tailored to the government rules in destinations were included in all relaunch concepts (for more information in this regard, see the next paragraph).

2021 was characterised by numerous country openings and closures, with the situation quickly changing. In total, the safety management team actively supported 56 country openings. One or more “take care flyers” were created for each of these countries. There were even podcasts or videos on entry requirements for some destinations. In addition, the entire sales department received webinar training on the topic. Moreover, individual relaunch concepts were developed for each destination affected in order to be able to restart tourism following lockdown as quickly as possible – these included hygiene concepts for hotels and partners, but also extensive entry concepts. Special test strategies and offerings – for example, PCR tests for at home and rapid tests in the destinations – completed the comprehensive package of preventive measures.



GRI 417

Promoting Sustainable Consumption

Promoting the consumption of more sustainable products and services is an important part of the REWE Group's sustainability strategy. In order for more sustainable product ranges to be successful, the social or environmental added value must be understandable and credible for the customers. It is important to note that other criteria such as the price, quality, packaging and freshness also play a role in purchasing decisions. Retail has an important intermediary role to play in this context. Without sufficient demand and willingness to pay on the part of the customer, responsible providers quickly find themselves in financial difficulties. And without a broad range of more sustainable products, consumers are unable to act in an ethically responsible way.

GRI 417: Marketing and labeling

Management approach

Principles

In its [Guidelines on Sustainable Business Practices](#), the REWE Group pledges to comply with applicable consumer-protection regulations and to employ appropriate sales, marketing and information practices in communications with consumers.

Implementation

As part of its sustainability communications work, the REWE Group implements various measures which enable informed purchasing decisions and are intended to get consumers enthusiastic about more sustainable products and services. Credibility, transparency and a target group-specific address are important communication principles here.

Goal

The REWE Group has committed itself to transforming sustainability's niche role into a truly mass market.

Measures for increasing sustainability awareness

Through campaigns, actions and communication measures throughout the year, the sales lines of the REWE Group address their customers on sustainable consumption in the context of a relevant social issue such as, for example, conscious diets, organic products, regionality or animal welfare. By doing so, the REWE Group creates awareness of sustainability during purchasing decisions and makes its customers aware of responsible consumption.

REWE communicates sustainability topics throughout the entire year as part of far-reaching 360-degree campaigns and directly in the stores. For example, the eight-week campaign “Leichter besser essen” (Eat better more easily) about the Nutri-Score was launched around January 2021 and the Tafel bags campaign was advertised in October under the slogan “Fill the Plate Together”. In addition to promoting topics, REWE's online shop offers a function which enables customers to apply an organic or vegan filter to products and items.

REWE focuses on regional, organic and vegan products

There is a focus on regionality and organic products. To this end, the sales line is continuously expanding its communications – in the relevant seasonal period, all year round and across all channels. In 2021, the focus was on, amongst other things, the promotion of local business, short transportation routes as well as trusting and fair cooperation with local suppliers and farmers within the REWE Local Partnership (for more information on regionality at the REWE Group, see [Regionality](#)).

With regards to organic products (for more information, see [Organic](#)), REWE asked questions in 2021 such as, for example, “Is this still organic?” and thereby demonstrated that organic has long ceased to be a niche topic for sustainability pioneers. Under the slogan “Mehr Bio für dich = besser für alle” (More organic food for you is better for everyone), REWE showed, for example, that organic means more space and larger run-out areas for dairy cows – with five-minute videos on around 6,000 screens in German cities. The launch of the private label “REWE Bio + vegan” in May 2021 was also accompanied by a communication campaign. During the financial year, REWE also reported on the project “Boden gut gemacht” (Soil made good) with NABU, in which farmers seeking to transition from conventional to organic farming can receive support. At the start of 2022, the “Gutes beginnt mit mir – Gemeinsam für mehr Nachhaltigkeit” (Good things begin with me – together for more sustainability) omni-channel campaign was launched for the areas of animal welfare, packaging and the climate.

In order to place vegan product ranges, the consumption of plant-based alternative products and packaging in the context of climate protection, REWE cooperated with the ecosign Academy of Design in Cologne at the end of 2021. As part of the project, sustainable design students were called upon to look for new approaches to communication – from traditional communication media and digital design options through to packaging concepts. A panel made up of employees from the REWE Group in the area of sustainability selected the best three ideas which were awarded prize money of up to 1,500 euros. These are currently being reviewed in terms of their feasibility.

Since 2020, **PENNY** has been gathering together all information and news about sustainability online under the motto “Unser grüner Weg” (Our green way). In addition, the sales line has used far-reaching sustainability campaigns throughout the financial year to highlight relevant topics such as Naturgut, climate change and the Förderpenny (Sponsorship Penny) initiative. Since the end of 2021, the campaign “[Klimaleicht mit PENNY](#)” (Climate-friendly with

PENNY) has been used to bring climate protection into focus, through the consumption of plant-based alternative products using the example of the private label Food for Future. As in previous years, the discounter also ran Sustainability Weeks during the financial year to promote more sustainable branded products.

“Zukunftsbauer” (Farmer of the future) project promotes energy-efficient egriculture

The end of October 2021 saw the launch of the support programme “Zukunftsbauer” (Farmer of the Future), a joint project between PENNY and the dairy Berchtesgadener Land. The aim of this project is to make a contribution to climate protection and the preservation of family-run farms in the Alps. For this purpose, farmers in the dairy cooperative are set to receive up to 10,000 euros to help them make their farms more energy efficient. An example is farms with sophisticated energy management, which use the power produced themselves by means of a photovoltaic system in a time-optimised manner for their electrical machines and electrical vehicle fleet.

The funds for this project come from two sources: PENNY waives part of the trade margin from the sale of all dairy products from the brand “Berchtesgadener Land”. The dairy Berchtesgadener Land doubles that amount. By buying products from Berchtesgadener Land, consumers are thereby able to support farmers in the region on their journey towards sustainable agriculture. Therefore, the joint project between PENNY and Berchtesgadener Land is a good example of what is possible when retail, companies, agriculture and consumers pull together.

See and experience sustainability issues at PENNY

Since the opening of the first interactive sustainability store “PENNY Grüner Weg” in 2020, the sales line has been making its customers more aware of the importance of sustainability: 20 stations in the store allow customers to see and experience the most important sustainability issues – from the advantages of Naturgut Bio-Helden and initiatives to avoid packaging through to tips on how to create a bee-friendly environment. One station also shows the “true cost”: here it is explained what selected products actually cost when certain environmental factors are taken into consideration.

To do this, scientists at the University of Augsburg looked at the four indicators of greenhouse gas emissions, reactive nitrogen emissions, energy consumption and land use change from the production of eight selected foods and included them in the true sale price of conventionally and organically produced private label products (apple, banana, potato, tomato, mozzarella, Gouda, milk and mixed ground meat). The example evaluation of conventionally produced food shows that the sale price per kilogram increases by around 62 per cent on average. The delta between true cost and sale price is smaller for organic food because it tends to reflect the consequential costs. Therefore, the sale price of products from organic farming increases by around 35 per cent.

REWE, PENNY and nahkauf draw attention to insect mortality

Insect mortality is focal point of customer communications at REWE, PENNY and nahkauf. For example, PENNY ran an action week on bee-friendly plants in spring 2021.

Since 2019, REWE has been receiving prominent support for communication activities on protecting insects: Maya the Bee and her friends are ambassadors for REWE's commitment to biodiversity and have also promoted the protection of insects during the financial year. For more information on wildlife conservation and biodiversity, see [Biodiversity](#)).

A bee campaign also took place for the first time at the **nahkauf** sales line in 2021. Under the slogan “Wir geben Bienen ein Zuhause” (We give bees a home), over 430 nahkauf stores across Germany provided a total of 435 insect hotels which were given to selected establishments such as nursery schools. The little wooden houses provide bees and other insects with a nesting and hibernation aid.

In autumn 2021, **toom Baumarkt DIY stores** promoted the sustainable properties of its private label products – from flooring and paints/varnishes through to energy-saving LED lights or radiator thermostats – with the campaign “Über Geschmack lässt sich streiten – über Nachhaltigkeit nicht” (You can argue about taste – but not sustainability). The former tennis player Ana Ivanović and her husband, football star Bastian Schweinsteiger, were brand ambassadors for this campaign.

DER Touristik is educating customers about sustainable and responsible travel offerings via the format “Bewusst Reisen” (“Conscious Travel”) (see [Sustainable Holiday Offerings](#)). In addition, the travel company has been working with the industry initiative for sustainability, Futouris e. V., to develop a feasibility study on the creation of a CO₂ accounting system since autumn 2021. The aim is to create a uniform basis for calculating a climate footprint for travel and then implement it as an industry project. The CO₂ footprint information is to be incorporated into product design at DER Touristik and be used to make products comparable, drive sales of more sustainable products, and make customers aware of the impact of their travel on the climate and possible alternatives. This is intended to reduce the climate footprint of travel.

The REWE Group in Austria has been organising Sustainability Weeks once a year since 2010. The products in focus here are those which offer sustainable added value with regard to healthy diets, climate and environmental protection, biodiversity or social involvement.

GRI 417-1:

Requirements for product and service information and labeling

The products of the REWE Group are labelled in accordance with legal requirements regarding their origin, composition and usage – an example being the expiration date. The REWE Group goes beyond legal requirements when it comes to highlighting the sustainability aspects of its products and provides detailed information about the origin of many products.

Sustainability label and certifications for transparency and credibility

With the PRO PLANET label, the REWE Group has created a system that enables it to clearly and transparently provide sustainability information on products. REWE, PENNY and toom Baumarkt DIY stores use the PRO PLANET label to identify private label products which take social and environmental factors as well as animal welfare aspects into consideration. It thus provides a reliable and comprehensible orientation for shoppers to encourage sustainable consumption amongst a broad group of consumers. More information about individual products can be found on the [PRO PLANET website](#) (for an overview of the share of these products in the range and an explanation of the PRO PLANET process, see [PRO PLANET](#)).

In 2020, the REWE Group also began to introduce Nutri-Score labelling for the first private label products of REWE and PENNY. The labelling will be gradually expanded until it is completely introduced by mid-2023. More than 40 per cent of REWE and PENNY private label products already bear the Nutri-Score on the packaging. With this eye-catching nutritional information labelling, the REWE Group wants to help consumers make conscious food choices. The recipes of numerous private label products have been optimised with the Nutri-Score in mind (for more information, see [Nutrition](#)).

In addition, the REWE Group uses recognised external labels to mark its private labels and sells brand products with the following seals in its product range:

- Aquaculture Stewardship Council (ASC) and GGN – certified aquaculture (GLOBALG.A.P.)
- Blauer Engel (Blue Angel)
- Fairtrade
- Forest Stewardship Council (FSC®)
- Marine Stewardship Council (MSC)
- Programme for the Endorsement of Forest Certification Schemes (PEFC™)
- Rainforest Alliance
- Verband Lebensmittel ohne Gentechnik e. V. (VLOG) (German Association of Non-Genetically Modified Foods)

In addition, organic and regional products are displayed separately. Almost all fresh fish counters at REWE stores have been certified by the MSC since 2009 and by the ASC since 2012. So that consumers can make informed

buying decisions amid this maze of labels, REWE has compiled the most important information about the labels and certifications that it uses on its [website](#).

Addition of origin information for greater supply chain transparency

Many consumers want to know where the products that they are purchasing come from. The REWE Group responds to this desire by taking such steps as highlighting the origin of its regional products and having information about many products certified according to the criteria of the Regionalfenster (Regional Window) programme (see in this regard [Regionality](#)).

For fish products, the REWE Group introduced a tracking code for private label fish products in 2012. Customers can use this on the websites of the **REWE** and **PENNY sales lines** to find out about the supply chain of the particular fish product. In addition, the first aquaculture products can be tracked online all the way back to the farming region. In total, 84 per cent of fish products have been given a tracking code. For the supply chains of REWE private label bananas, REWE Beste Wahl pineapples, pineapples at PENNY and Fairtrade Biohelden bananas at PENNY, customers are also able to trace the products back to the producer using a QR code.

In 2014, the name of the actual production company began to be included on the private label products sold by PENNY and REWE. This means greater transparency in the supply chain for customers. The REWE Group continues to be listed as the production company in only a few exceptions, including the products of the Feine Welt brand that are made by small suppliers.

When it comes to non-food products, the REWE Group uses the TÜV Exclusive Seal as a sign of the quality and safety of the products. Each certified product bears an individual ID number which is used to access further information.

toom Baumarkt DIY stores have teamed up with the consumer group Verbraucher Initiative e. V. to compile a guideline for sustainability labels. This is intended to provide customers with guidance when it comes to more sustainable shopping and explains recommended labels which can be found on products in their DIY stores. The selection of labels is based on ratings by the consumer portal [label-online.de](#). The guideline can be downloaded at [toom.de/nachhaltigkeit](#).

In order to offer travellers transparent help for decision-making, **DER Touristik** has implemented a strategy for clear labelling of sustainable travel offerings. As part of the “Green Travel Transformation” project from the sustainability initiative Futouris, the labelling of offerings using a number of different seals was replaced with a uniform logo for sustainable travel offerings which is recognised throughout the industry. This resulted in the data provider Green Travel Index, which collects and processes data from recognised sustainability certificates. Since winter 2019, sustainably certified hotels have been identified as “sustainably certified” with a green leaf in the catalogues of DERTOUR, Meiers Weltreisen, ITS and Jahn Reisen. It is based on international certificates which are recognised by the Global Sustainable Tourism Council (GSTC) and therefore meet the most demanding requirements in terms of compliance with environmental and social standards in tourism.

In addition to highlighting sustainability in these catalogues, DER Touristik has also enabled targeted online searches for sustainable hotels: Since the start of 2020, these hotels have also been identified accordingly with the green leaf on the travel agency booking platform Bistro and travel agency employees at DER Touristik can include these when providing advice to customers. In addition, various measures are being taken to gradually increase the number of sustainably operating hotels in the offering of DER Touristik tour operators and the development of sustainable travel products is constantly being promoted. The goal is for 25 per cent of DER Touristik's core portfolio to consist of sustainably certified hotels by 2023.

Sustainable holiday offerings

In 2021, DER Touristik published two catalogues in magazine form (the “magalogue”) for the first time called “Bewusst Reisen” (“Conscious Travel”). Adopting a transparent approach, these bring together sustainable and responsible travel offerings at destinations in Europe which can be reached by car, bus or train, medium-haul destinations and selected long-haul travel destinations. All hotels are sustainably certified by a standard recognised by the Global Sustainable Tourism Council (GSTC) – they implement active sustainability management, behave in a socially responsible manner, reduce their environmental footprint, and actively involve the local community. The magalogues present initiatives from this sustainability commitment as well as selected excursions which meet the criteria of responsible tourism. Their portfolio is to be further expanded gradually and also include travel components and tours in the future.

For the first time, the magalogues provide information about the carbon footprint associated with the travel packages. Guests can voluntarily offset the balance of any carbon dioxide emissions which cannot be saved or avoided through other measures by investing in climate protection projects. DER Touristik and the non-profit climate protection organisation MyClimate have teamed up to enable this. The respective amount has been calculated for each travel offering in the magalogue – for example, for a one-week trip.

From 2022, “Bewusst Reisen” will no longer be seasonal, but rather will be set up as an annual catalogue. There are also plans to transition to an online environment, where a growing number offerings and information about projects and initiatives of DER Touristik and its partners will be gradually added.

Six criteria for sustainable travel experiences in Mauritius

DER Touristik is using the dodo – a land bird once native to Mauritius but now extinct – as a symbol for its campaign “The Wise Dodo. Preserve our Island”. As part of this campaign, the brands DERTOUR and Meiers Weltreisen are offering tours which focus on the cultural legacy and diverse range of plants and animals on the island and which promote social and environmentally relevant projects. The travel experiences must meet six sustainability criteria:

1. Authentic experience
2. Biodiversity & coral health
3. Equal opportunity
4. Waste avoidance
5. Conservation of resources
6. Involvement of local communities.

The campaign was born out of the “Sustainable Island Mauritius” project, in which DERTOUR and Meiers Weltreisen were pilot project partners and which has been promoting the development of the island as a sustainable destination country since 2018. It was initiated by the Mauritius Tourism Authority and the Collaborating Centre on Sustainable Consumption and Production based in Germany. The aim is to strengthen the positive influence of tourism, the handprint, in the holiday destination and, at the same time, reduce its negative impacts, the environmental footprint.

“The Wise Dodo” tours can also be booked in combination with certified hotels from DER Touristik's portfolio.

GRI 417-3:

Incidents of non-compliance concerning marketing communications

As a matter of principle, the REWE Group advertises its products and services in strict conformity with legal requirements as well as with ethical and cultural standards. It expressly avoids the use of sexist, discriminatory, political, pornographic, extremist and violence-glorifying advertising. Truth, precision and transparency are the fundamental advertising principles employed by the company. In addition, the REWE Group adheres to its own company-wide code of conduct, regulations, guidelines and rules laid down by national advertising boards. To succeed, communications of sustainability issues require a significant amount of credibility.

In its [Guidelines on Sustainable Business Practises](#), the REWE Group explicitly commits itself to complying with applicable consumer-protection regulations and to employing appropriate sales, marketing and information practices in its communications with consumers. As a way of considering these factors in the advertising concepts, communication materials from REWE and PENNY in Germany in particular are approved by the Sustainability Department before being published.

During the reporting period, there was one violation which resulted in a written warning.



Energy, Climate and the Environment

The effects of the climate crisis can already be felt today. Heat records, severe weather, drought and flooding threaten ecosystems, biodiversity and the existence of millions of people. Our planet faces enormous challenges. The aim of the Paris Agreement is to limit global warming to 1.5 degrees Celsius. Germany has signed the Agreement and derived regulatory parameters: According to the Federal Climate Change Act, greenhouse gas neutrality must be achieved by 2045. Society also demands stricter climate protection measures, as seen by movements such as Fridays for Future.

As part of the materiality analysis, stakeholders confirmed the importance of climate protection measures for the REWE Group: The issue was classified as particularly relevant and was ranked No. 3 in priority (for more information, see the section [Materiality analysis](#)).

Energy, Climate and the Environment is a pillar of the REWE Group's [sustainability strategy](#). As part of this pillar, the company has set the strategic objective of making a measurable contribution to climate and resource protection or, at the very least, keeping impacts on the climate and environment to a minimum.

Background

A large portion of global CO₂ emissions is created during the cultivation, production and consumption of products as well as the provision of services. In its climate strategy for the supply chain, the REWE Group focuses on these upstream scope-3 emissions (see also [Climate protection in the supply chain](#)). But greenhouse gas emissions are also produced in stores, logistics and at business locations. The REWE Group accepted this challenge very early on: The company prepared its first carbon footprint report on a company level back in 2006 and, with its publication in 2009, defined its first climate goal; the complete changeover to certified green electricity took place in 2008.

The REWE Group itself is affected by climate change in various ways (see also [Risk management](#)): Climate change and extreme weather events can have an adverse effect on the products and services of the REWE Group, which relies on the long-term, reliable availability of food. Extreme high temperatures and flooding can threaten the cultivation and harvesting of raw materials and lead to higher purchase prices. In travel and tourism, climate change can pose a threat to entire destinations over the long term. In particular, these areas include islands, coastal regions and ski resorts.

Strategic approach

Principles

The efforts that the REWE Group has undertaken in terms of climate and resource protection are included in the [Guidelines on Sustainable Business Practices](#). In this, the company pledges to continuously reduce the greenhouse gas emissions that occur in its business processes, to espouse the use of renewable energies, to lower its specific energy consumption through suitable energy efficiency measures and to make employees aware of how their changes in their behaviour can help save energy. The REWE Group strives to use resources sparingly and to increase the amount of recycled and sustainable materials it employs (see [Packaging](#) and [Circular economy](#)).

To further reduce climate-relevant emissions in the supply chains, the company defined a climate strategy for the upstream supply chain, which was enshrined in the [Guideline on climate protection in the supply chain](#) at the start of 2022.

Responsibility

The topics of energy, climate and the environment are controlled by the Energy, Climate and Environment Working Group, in which all sales lines and relevant holding areas are represented. The working group is led by Telerik Schischmanow (Divisional Management Board Trade Germany – Administration and Services).

Implementation

The pillar of sustainability Energy, Climate and the Environment focuses in essence on environmentally relevant activities that lie in the REWE Group's own business processes. These include the construction and operation of stores, warehouses, administration offices, production sites, logistics operations as well as resources and materials needed for the company's own business operations. To save energy and prevent climate-damaging emissions, the REWE Group has introduced a central energy management system to oversee its efficiency activities, has used green power since 2008, taps the optimisation potential of logistics and has applied a holistic sustainability approach for its stores since 2009 with its Green Building concept (see [Green Building](#)). The REWE Group reviews its progress in an annual carbon footprint report (see [Climate protection on a company level](#)), which is prepared by independent experts. The data for this report has been collected for all countries and companies of the REWE Group since 2019.

Areas of action

In its strategy process, the REWE Group identified the following three areas of action in the pillar Energy, Climate and the Environment: Climate-relevant emissions, energy efficiency and conservation of resources.

Targets and key performance indicators (KPIs)

To measure its progress in the pillar Energy, Climate and the Environment, the REWE Group has defined various KPIs with related targets. In 2020, the company prematurely achieved all its old targets with regard to greenhouse gas

emissions, electricity consumption and refrigerant-related greenhouse gas emissions per square meter sales area. As a result, the company set itself a new absolute target in 2021: the REWE Group wants to achieve climate neutrality at the company level by 2040. This applies not only to Germany and Austria, but to all countries and companies in which it is active. To do this, in a first step, it will reduce absolute greenhouse gas emissions by 30 per cent by 2030 compared to the base year of 2019. The emission level set by the REWE Group takes account of the use of certified green electricity in all stores, warehouses and travel agencies since 2008.

In addition to its climate targets, the REWE Group has also defined KPIs for its electricity consumption and refrigerant-related greenhouse gas emissions. These KPIs make the effectiveness of the energy efficiency and greenhouse gas emission reduction measures transparent.

To reach its targets, the REWE Group will consistently continue to implement measures to avoid or reduce greenhouse gas emissions on a company level. In this respect, the company will focus on electricity, heating, refrigerants and logistics.

KPI	2019	2020	2021	Status	Measures
Reduce absolute greenhouse gas emissions for all countries and companies of the REWE Group by 30% by 2030 (compared to 2019)	-	-8.1%	-7.3%	↻	See Climate protection on a company level
Climate neutrality for all countries and companies of the REWE Group by 2040					
Reduce refrigerant-related greenhouse gas emissions for all countries and companies of the REWE Group by 60% by 2030 (compared to 2019)	0%	-11%	-18%	↻	
Reduce electricity consumption per square metre of sales area by 10% by 2030 (compared to 2019)	-	-3.1%	-5.2%	↻	See Energy

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

Reporting

The following sections of the GRI Report contain all measures, data and topics related to the pillar Energy, Climate and the Environment:

- [Waste](#)
- [Energy](#)
- [Green Building](#)
- [Climate protection on a company level](#)

- Logistics and Mobility
- Materials
- Operational water consumption



GRI 301

Materials

The REWE Group uses a range of materials in its daily business activities and it requires raw materials to do so. The efficient use of these resources is a core element of sustainable business practices.

Three areas of action were defined in the pillars Energy, Climate and the Environment and Green Products of the group-wide sustainability strategy: energy efficiency, climate-relevant emissions and conservation of resources. The latter includes activities in the area of material savings. The REWE Group's goal is to conserve natural resources wherever possible and to close material loops.

GRI 301: Materials

Management approach

Principles

In its Guidelines on Sustainable Business Practices, the REWE Group has committed itself to the efficient use of the natural resources soil, air and water as well as of raw materials and fuels.

Implementation

The REWE Group optimises relevant resource consumption in its business processes and implements product and raw material-related measures in upstream and downstream stages of the value chain. These include implementation of product-related measures in the areas of packaging and the circular economy, such as reusable alternatives, reducing the use of material, using recycling materials and optimising material cycles (see Packaging and Circular economy). Aspects of resource conservation are also taken into account in the PRO PLANET process (for more information, refer to PRO PLANET).

Projects and measures to conserve resources

In its own business processes, the REWE Group implements the following measures to close material cycles and conserve resources.

Reusable systems in logistics prevent transport waste

To reduce the amount of waste from transport packaging, the logistics operation of the REWE Group employs reusable containers. In recent years, the percentage of reusable pool boxes has been increased. It now totals about 60 per cent in the area of fruit and vegetables in Germany. In addition, conventional wooden pallets are being replaced by plastic alternatives. Plastic pallets are lighter and have more capacity measured against transportable package volume. This has a positive effect on energy efficiency during transportation. The plastic pallets can also be completely recycled and are returned to the recovered substance cycle when a defect occurs.

Use of low aromatic printing inks for recycled paper

Instead of conventional inks that contain mineral oils, only low aromatic inks have been used since January 2016 to print fliers at the REWE Group. In accomplishing this, the REWE Group fulfilled the requirements of the environmental seal Blauer Engel (Blue Angel) for printed products (RAL 195). The seal called for the use of low-emission paints and ink to start in 2017. The change that was accelerated by the REWE Group has led to long-term changes in the entire industry: Leading ink manufacturers in Germany, Austria and Switzerland now supply mainly low aromatic ink for heatset printing. This is a significant step in the use of recycled paper for food packaging. If recycled paper is used in combination with conventional mineral oil-based inks, the aromatic substances can migrate to the food, which is considered a health risk. For this reason, the REWE Group worked towards turning the use of aromatic-free ink into a standard for the printing industry.

Optimisation of material loops in textiles

The REWE Group is working on measures to create closed material loops in order to conserve resources and promote sustainable consumption. For this purpose, the company created a return system for textiles in 2016 and, a year later, set up the first collection containers at the locations of the PENNY sales line with the help of a service provider. In taking this approach, the REWE Group intends to promote the reuse of textiles and to prevent them from being discarded. At the end of 2021, 575 collection containers at 424 locations were available for consumers to return textiles. The collected textiles are used as second-hand clothing or are recycled in the industry as input material in textile production. Textiles that cannot be recycled are professionally disposed of.

GRI 301-1:

Materials used by weight or volume

For a trade and tourism company, paper is an important resource, which plays a significant role, especially in product advertising. Total paper consumption by the REWE Group rose from about 156,000 tonnes in 2020 to nearly 175,000 tonnes in 2021. Most paper consumption can be attributed to the production of flyers. The increase in paper consumption in 2021 is due mainly to an increased use following the lower level of consumption in 2020 because of the coronavirus pandemic. This trend is also reflected in specific paper consumption, which increased to 17.3 kilograms per square metre of sales area in 2021.

Total paper consumption (tonnes)

2019	2020	2021
167,969	155,808	174,646

Specific paper consumption (kg/m²)

2019	2020	2021
16.84	15.16	17.31

Scope: REWE Group Germany and Austria, including retailers.

GRI 301-2:

Recycled input materials used

To make consumption of paper, which was defined to be a significant resource, more environmentally conscious over the long term, the REWE Group encourages the use of recycled paper, which is utilised in particular for fliers and other printed matter as well as in its administration work.

More recycled paper reduces the ecological impact of paper consumption

Since 2009, the REWE Group has used mainly more environmentally friendly paper. The share of more environmentally friendly paper in total consumption was nearly 100 per cent in 2021. Recycled paper (with and without the Blue Angel environmental certification) makes up around 97 per cent of the total of more environmentally friendly paper. For the almost three per cent remaining, the company uses virgin fibre paper from sustainable forestry that has been certified by the Forest Stewardship Council® (FSC®), the Programme for the Endorsement of Forest Certification Schemes (PEFC™) or the EU Ecolabel.



GRI 302

Energy

From stores and offices to transports – the REWE Group uses energy to conduct its business activities. Responsible consumption and the use of alternative energy sources can help to reduce environmental impacts.

Three areas of action were defined in the pillars Energy, Climate and the Environment of the group-wide sustainability strategy climate-relevant emissions, energy efficiency and conservation of resources. Energy is part of the energy efficiency area of action. Within this area, the REWE Group is continuously working towards reducing its energy consumption per square metre of sales area. In this process, it makes a key contribution to climate protection.

GRI 302: Energy

Management approach

Principles

Energy consumption includes electricity, mainly for refrigeration and lighting, energy for heat generation and fuel for transporting the products – from the warehouse to the points of sale or, with online orders, to the customers. This part of logistics is a category that the company can influence directly. As a result, consumption by the group's own vehicles as well as those of external service providers in Germany and Austria were included (for measures in the areas of logistics and mobility see Logistics and mobility).

Implementation

The foundation of the REWE Group's systematic efficiency activities is the combine-wide energy management system that the company has been applying with the help of the Hamburg-based Energie-Handels-Gesellschaft (EHA) since 2008. The energy service provider – since 2014 a 100% subsidiary of the REWE Group – has equipped the stores and warehouses with measuring points, which enables exact daily energy consumption to be recorded centrally. In addition, a monitoring platform called FRIGODATA keeps close watch on temperature and energy data.

The central energy management system of the REWE Group in Germany is certified in accordance with the current version of ISO 50001:2018. The system tracks all electricity consumption of the entire REWE Group in Germany with all sales lines and about 5,000 locations. This includes grocery stores, DIY stores, travel agencies, logistics centres,

administrative offices and online shops. An exception to this is Lekkerland, which became part of the group in 2020, and is not yet part of the central energy management system of the REWE Group in Germany. The production operations Wilhelm Brandenburg and Glocken Bäckerei have been operating an energy management system certified in accordance with ISO 50001 since 2014. In April 2016, REWE International AG in Austria also received ISO 50001 certification for about 2,100 stores (BILLA, BILLA PLUS, PENNY Austria and BIPA) and the entire logistics operations. BILLA Czech Republic, BILLA Slovakia, BILLA Bulgaria, IKI Lithuania and PENNY Romania have also been ISO 50001 certified since spring 2017. All other companies of REWE International AG were certified in 2018. In taking this approach, the REWE Group is bundling its many energy-related activities. At the same time, it is meeting the standards of the European Energy Efficiency Directive and fulfilling legal requirements in individual countries (the German Energy Services Act (Energiedienstleistungsgesetz)).

Electricity consumption has been collected for all countries and companies of the REWE Group since 2019. At about 57 per cent, it makes up the biggest share of total electricity consumption and was reduced by 1.2 per cent between 2020 and 2021. The driving forces behind this improvement were the use of LED lighting, steps involving more energy-efficient refrigeration and new stores that are more energy efficient.

Overall, this success reflects the effectiveness of the energy management systems that have been put into place. The REWE Group will continue to work on boosting its energy efficiency as part of a continuous improvement process. This will also help the REWE Group reach its overall targets regarding climate neutrality by 2040 (for more information, refer to [Climate protection on a company level](#)). With regard to energy, the REWE Group has also defined the KPI energy consumption per square metre of sales area for all countries and companies. The target here is to achieve a 10 per cent reduction between 2019 and 2030.

Development of electricity consumption per square metre sales area in detail

		2019	2020	2021	Status
Reduce electricity consumption per square metre of sales area by 10% by 2030 (compared to 2019)	in kWh/m ²	329.43	319.36	312.28	↻
	Change compared with 2019	- ¹	- 3.1%	- 5.2%	

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

Scope: All countries and companies of the REWE Group, including retailers and REWE Dortmund.

¹ No data, as it is the base year.

Optimising energy consumption

The established management structure is an important requirement for continued optimisation of energy consumption, as detailed recording enables central energy targets and sub-targets to be defined and tracked. In addition, the link between measured energy usage and implemented programmes can be better understood and monitored. In this way, high-impact solutions can be identified and refined. In addition to the administration employees and energy managers responsible, employees on site also play an important role. Through their actions on the job, they can make a key contribution to the success of the measures and suggest improvement ideas that can make a difference. Therefore, the REWE Group has established a central e-mail address for employees who have questions or who wish to make suggestions: EnMS@rewe-group.com

Promoting the use of alternative energies

At the beginning of 2008, the company shifted the source of the electricity used by its stores, warehouses and travel agencies in Germany and Austria to certified green power. It is supplied by Hamburg-based Energie-Handels-Gesellschaft (EHA) and fulfils the requirements of TÜV SÜD according to Label EE01. In accordance with the convention of the German Environment Agency regarding the calculation of green power, a regulation that is designed to facilitate the expansion of power produced from renewable sources, the REWE Group only applies the share of new systems pursuant to Label EE01 as an emission-lowering factor in calculating its carbon footprint in Germany (about 25 per cent). In 2021, 83.4 per cent of the green electricity purchased via EHA came from hydro electricity and 16.6 per cent from photovoltaic systems.

In addition, the REWE Group employs photovoltaic technology and other regenerative technologies to produce its own energy. Photovoltaic systems are used in administrative offices, warehouses and stores in suitable locations (particularly Green Building stores). At the end of 2021, the REWE Group operated photovoltaic systems at 57 locations in Germany. These units have a potential peak power output of 17,568 kWp.

10-year contract: green electricity from a north sea offshore wind farm

As the first food retailer in Germany, the REWE Group will use green electricity generated by a North Sea wind farm for REWE, PENNY, toom Baumarkt DIY stores and Travel and Tourism. In September 2021, Energie-Handels-Gesellschaft (EHA) and Ørsted, the world leader in planning, building and operating offshore wind farms, signed a a ten-year corporate power purchase agreement (CPPA). The green electricity will come from the Borkum Riffgrund 3 wind farm in the North Sea, which is expected to start operating in 2025. The REWE Group will then purchase well over good 10 per cent of its total annual capacity of about 900 megawatts and, as a consequence, operate 1,500 REWE, PENNY and toom Baumarkt DIY stores. By doing this, the REWE Group is promoting the development of renewable energies, accepting its process responsibility and taking a more active role in the energy shift.

GRI 302-1:

Energy consumption within the organization

Total energy usage by the REWE Group rose by about 1 per cent between 2020 and 2021. Despite the electricity savings, this development is due to the increased demand for heating and fuel. The increase in heating can be attributed to the colder winter of 2020/21 compared to the previous year whereas increased fuel consumption for trucks and cars from 2020 to 2021 results mainly from increased consumer demands in the convenience area.

The largest share of total energy consumption in 2021 was attributed to electricity at about 57 per cent, followed by fuel for trucks and cars (including third-party logistics).

Energy consumption within the organisation (in GWh) ✓

	2019 ¹	2020 ¹	2021 ✓	Change 2020–2021 ✓	
	Total	Total	Total	Total	in %
Electricity	3,999.09	3,933.25	3,886.28	-46.97	-1.2
Heating oil	77.03	73.62	73.43	-0.19	-0.25

1 TJ | 0.2778 GWh, 1 MJ/m² | 0.2778 kWh/m² (Source: International System of Units (SI)) ✓

The conversion factors for the different energy sources are obtained from the GEMIS material flow analysis model and the TREMOD transport emission model. ✓

Scope: All countries and companies of the REWE Group, including retailers and REWE Dortmund. Lekkerland was integrated into the scope in 2020. Excluded are units that left the REWE Group and the data was adjusted retroactively. ✓

Self-produced renewable energies comprise: Solar power, photovoltaics, geothermal, wind power, wood pellets, biomass. ✓

¹ GRI 102-48, restatement of information: The values differ due to the retroactive discontinuation of consolidation units and because of individual corrections of the previous year's reports by the units. ✓

² The calculation is based in assumed data from the previous year. ✓

	2019 ¹	2020 ¹	2021 ✓	Change 2020–2021 ✓	
Gas (natural and liquefied gas)	1,071.14	1,058.23	1,157.14	98.90	9.3
Self-produced renewable energies	9.72	13.59	16.93	3.34	24.6
District heating ²	229.50	209.68	234.23	24.55	11.7
Fuels (trucks/cars)	1,222.56	1,333.61	1,356.06	22.45	1.7
Jet fuel	227.42	79.06	44.98	-34.08	-43.1
Total	6,836.45	6,701.04	6,769.06	68.02	1.0

1 TJ | 0.2778 GWh, 1 MJ/m² | 0.2778 kWh/m² (Source: International System of Units (SI)) ✓

The conversion factors for the different energy sources are obtained from the GEMIS material flow analysis model and the TREMOD transport emission model. ✓

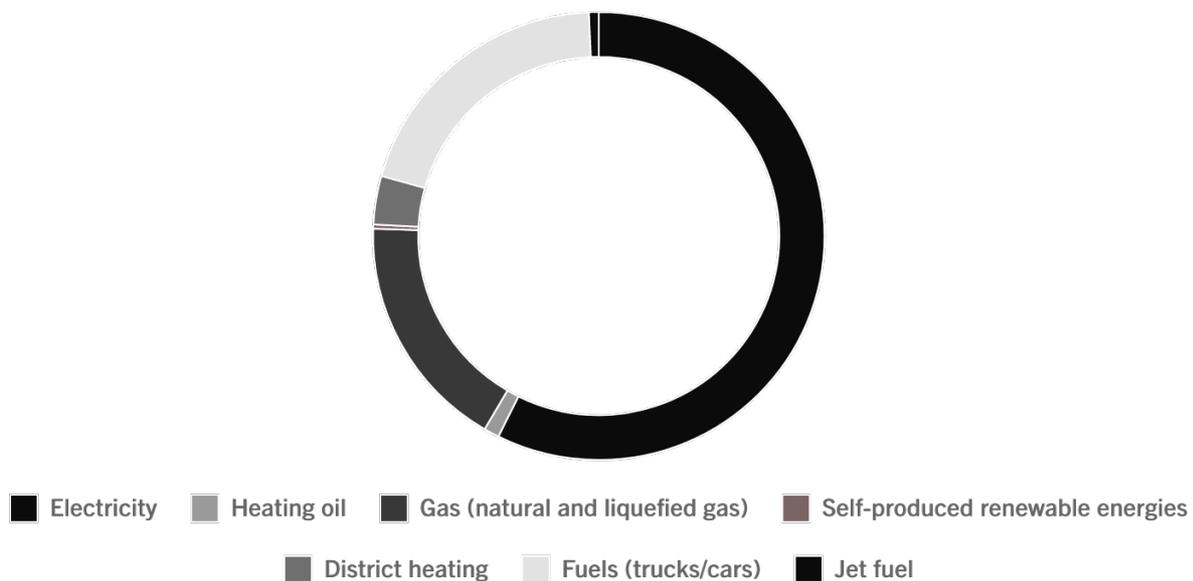
Scope: All countries and companies of the REWE Group, including retailers and REWE Dortmund. Lekkerland was integrated into the scope in 2020. Excluded are units that left the REWE Group and the data was adjusted retroactively. ✓

Self-produced renewable energies comprise: Solar power, photovoltaics, geothermal, wind power, wood pellets, biomass. ✓

¹ GRI 102-48, restatement of information: The values differ due to the retroactive discontinuation of consolidation units and because of individual corrections of the previous year's reports by the units. ✓

² The calculation is based in assumed data from the previous year. ✓

Energy consumption within the organisation – shares of consumption 2021



Scope: The REWE Group including retailers. Units that left the REWE Group were excluded. Self-produced renewable energies comprise: solar power, photovoltaics, geothermal energy, wind energy, wood pellets and organic heat.

GRI 302-3:

Energy intensity

Energy intensity covers location-related use of electricity and heat (heating oil, gas and district heating). Specific site-related energy consumption (energy consumption per square metre of sales area) of the REWE Group increased during the reporting period and in 2021 was 0.4 per cent higher than in 2020. This development is due mainly to increased demand for heating. The implementation of numerous efficiency activities, such as the use of LED lighting, has a reducing effect (see also the [KPI for electricity consumption](#) and the table [Steps to Lower Electricity Usage](#)).

Energy intensity

	Unit	2019	2020	2021	Change 2020-2021
Total energy consumption	in GWh	5,386	5,288	5,368	+1.5%
Energy consumption per square metre of sales area	in kWh/m ²	439.48	428.66	430.27	+0.4%

1 TJ | 0.2778 GWh, 1 MJ/m² | 0.2778 kWh/m² (Source: International system of units (SI))

Scope: All countries and companies of the REWE Group, including retailers and REWE Dortmund. Lekkerland was integrated into the scope in 2020. Excluded are units that left the REWE Group and the data was adjusted retroactively.

GRI 302-4:

Reduction of energy consumption

To systematically save energy and reduce emissions, the company works with Hamburger Energie-Handels-Gesellschaft (EHA) to monitor electricity and gas consumption in the stores supplied by EHA. In 2016, the REWE Group began to use the ISO 50001 certified energy management system in Germany, Austria and central and Eastern European countries. Based on the collected data, the energy managers in the REWE Group check the target and actual consumptions and make recommendations for optimisation measures. These are aimed mainly at optimising lighting and refrigeration, heating and ventilation systems. The REWE Group is also working to reduce its use of heat.

Lighting

Lighting influences customers' well-being and product presentation – a pleasant light makes a significant contribution to the shopping experience. At the same time, lighting is responsible for about 24 (REWE) and 21 (PENNY) per cent of electricity consumption in food stores and around 60 per cent in toom Baumarkt DIY stores. To reduce consumption, energy management is devising efficient lighting concepts that address the lighting needs of the sales lines. LEDs play a major part in this effort by saving between 30 per cent and 45 per cent of the electricity required by lighting systems.

Changeover to LED lighting

For a systematic changeover to LED lighting in their stores, the REWE Group sales lines have developed lighting concepts that are appropriate for use in retail, some of which required completely new technical solutions. In recent years, LED lighting systems have improved considerably with regard to light colour and service life. In all of its new construction and renovation projects, the REWE Group uses new LED light concepts for its stores and logistics locations. The use of LED lighting has played a key role in the reduction of electricity consumption per square metre of sales area in recent years.

Refrigeration

In food stores most electricity is consumed by refrigeration units and, consequently, this is a significant area in which energy consumption could be reduced. Optimised refrigerated display cases use 20 per cent to 40 per cent less electricity for cooling purposes. Glass doors installed on refrigerated display cases are a visible, highly effective way to cut energy consumption. They are already used as standard for meat products; for dairy products they are used in Germany in new buildings and after major refurbishments. In Austria too, glass doors are used on refrigerated display cases for meat products in the sales lines BILLA, ADEG and BILLA PLUS, while the doors are standard for dairy products in new BILLA and BILLA PLUS-stores.

Another key factor is regular maintenance and professional management of refrigeration systems. These systems can be energy efficient only if the refrigeration equipment is operated optimally. As the range of fresh and convenience products grows in stores and as refrigerating needs rise with them, energy-efficient refrigerated display cases will become increasingly important in future.

Refrigerating forum ensures regular dialogue

Every two years, the REWE and PENNY sales lines invite representatives from refrigeration companies and system suppliers to a refrigeration forum to share experiences. During presentations and workshops, the participants discuss topics such as energy optimisation and operational and temperature reliability. The last refrigeration forum took place in 2018; in 2020 it had to be cancelled due to coronavirus restrictions.

In Austria, the BILLA, BILLA PLUS and PENNY sales lines also cooperate closely with the specialist service providers and award an efficiency prize to successful refrigeration companies within the framework of their refrigeration partner conference.

Steps to lower electricity usage

Measures	Reduced electricity consumption (GWh)		
	2019	2020	2021
Lighting Conversion of lighting systems to LED, optimisation of light management, reduction of turn-on times	23.8	22.3	12.4
Refrigeration For example, use of glass on dairy-product shelves and doors on freezers, retrofitting of glass doors, optimisation/upgrading of system technology, replacement of refrigeration systems and energy-efficient display cases, logistics	14.1	10.6	12.5
Improving technology of other systems, especially in production, ventilation systems and IT infrastructure	0.3	4.4	6.1
Total savings	38.2	37.3	31.1

1 TJ | 0.2778 GWh, 1 MJ/m² | 0.2778 kWh/m² (Source: International system of units (SI))

Scope: Companies of the REWE Group in Germany and Austria including retailers. Not included are measures to reduce the electricity consumption of Lekkerland and units that left the REWE Group in terms of the scope during the reporting period.

In 2021, measures implemented by the sales lines of the REWE Group in Germany and Austria reduced electricity usage by about 31 GWh. Refrigeration is responsible for about half of electricity consumption at food retailers. Therefore, many steps in the area of refrigeration to reduce cooling losses were taken during the reporting period. Measures in other areas, such as ventilation and other systems, also have an effect – especially in the production area.

For savings measures in the areas of goods transport and mobility, see [Logistics and Mobility](#).



GRI 303

Operational Water Consumption

The REWE Group needs natural water resources both at its own locations and in the production of products in the supply chain. Because water is a limited resource, steps must be taken to ensure its sustainable and economical use.

Three areas of action were defined in the pillars Energy, Climate and the Environment of the group-wide sustainability strategy: climate-relevant emissions, energy efficiency and conservation of resources. The latter are activities in relation to water consumption.

GRI 303: Water

Management approach

Principles

The REWE Group wants to conserve and ensure efficient use of water resources.

Implementation

The REWE Group uses water in its stores, at its production sites, warehouses and administration locations. Water saving activities reduce the already low consumption of fresh water, which is used mainly for cleaning and in sanitary areas.

A much bigger role is played by water withdrawal and disposal in the production of products. In this area the REWE Group conducts product-related projects in its supply chain (for more information, see Water).

GRI 303-3:

Water withdrawal

The REWE Group uses water in its stores, at its production sites, warehouses and administration locations. Almost all water used by the company is obtained from public waterworks – with the exception of the rainwater used by some Green Buildings. Total water consumption fell by roughly 3 per cent from approximately 6.9 million cubic meters in 2020 to 6.7 million cubic metres in 2021. Over the same period, specific water consumption decreased by 4 per cent. This reduction can be attributed mainly to reduced water consumption of DER Touristik due to the coronavirus pandemic.

Water consumption of the REWE Group

	Unit	2019	2020	2021	Change 2020-2021	
		Total	Total	Total	Total	Per cent
Total water consumption	1,000 m ³	7,116	6,939	6,734	-206	-3%
Water consumption per square metre of sales area	(m ³ /m ²)	0.58	0.56	0.54	-0.02	-4%

Scope: Companies in the REWE Group including retailers. Units that are no longer part of the REWE Group were excluded during the reporting period in terms of the scope.



GRI 305

Climate protection on a company level

Human activity has a marked effect on the climate, while climate change has a significant effect on ecosystems and, as a result, on societies as well. The REWE Group understands its responsibility for the climate: A large portion of global CO₂ emissions is created during the production and consumption of products, the provision of services and by transport. ✓

Three areas of action were defined in the pillars Energy, Climate and the Environment of the group-wide sustainability strategy climate-relevant emissions, energy efficiency and conservation of resources. In terms of climate protection, the activities of the REWE Group are included in the area of action of climate-relevant emissions. ✓

GRI 305: Emissions

Management approach

Principles

Saving energy and preventing climate damaging emissions are very important for the REWE Group, while rising energy costs also have to be taken into account. Key challenges to be faced by the REWE Group in the future include cutting energy consumption while addressing rising needs in the areas of freshness and convenience, which will require increased transports and refrigeration. ✓

The group is aware that greenhouse gases are created through operation of the stores, travel agencies and headquarters, transportation of goods and business trips and that these have an effect on climate. The declared strategic goal of the REWE Group is to make a measurable contribution to climate and resource protection or, at the very least, to keep impacts on the climate and environment to a minimum. ✓

In its Guideline on Sustainable Business Practices, the REWE Group has committed itself to continuously reducing the greenhouse gases that are produced as a result of its business processes. It champions the use of renewable energies and reduces specific energy consumption with appropriate measures and by making employees aware of actions to save energy. The guidelines are also a value basis for business relationships with the contractual partners of the REWE Group. ✓

Implementation

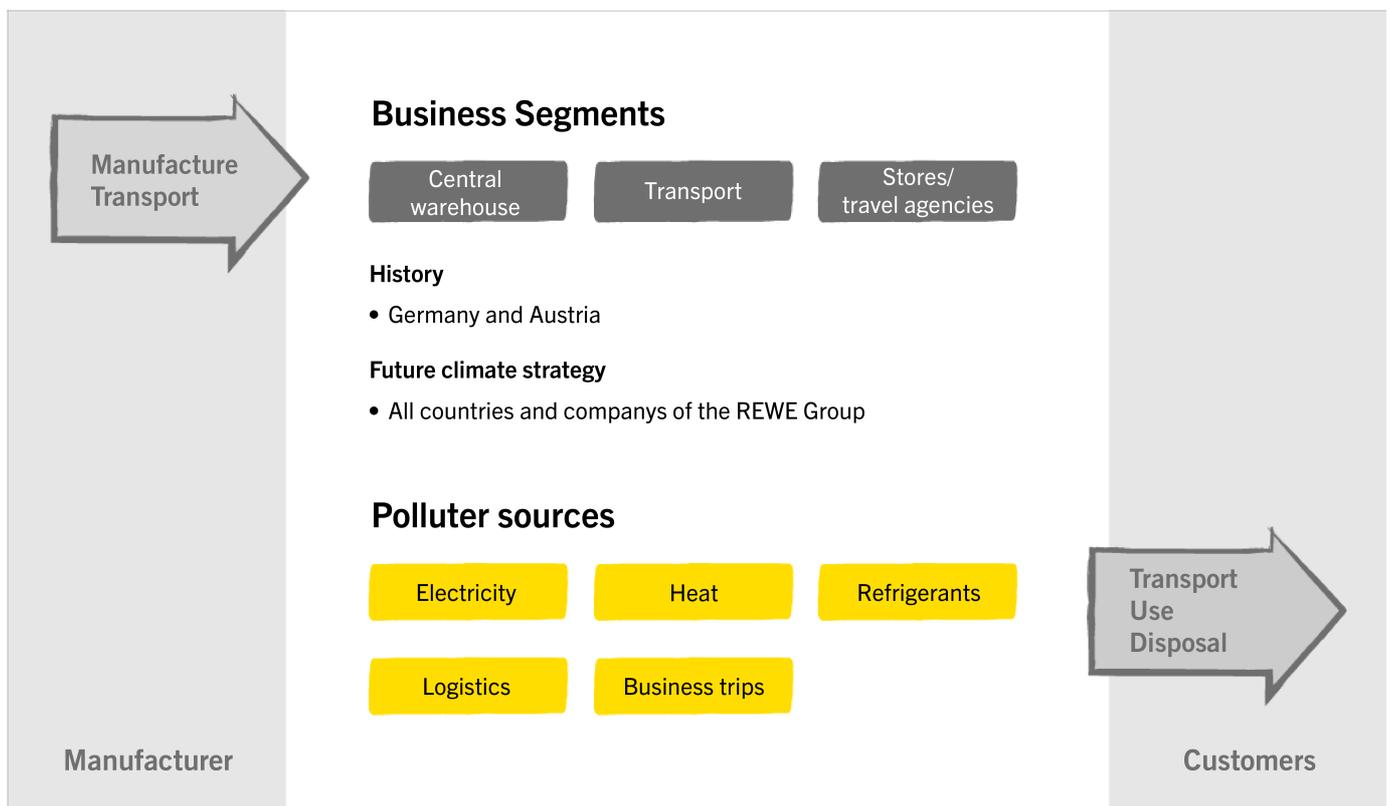
A new climate strategy was defined in 2021 and the management approach was modified to take account of this:

- The scope was extended and the focus on Germany and Austria was expanded to include all countries and companies where the REWE Group is active.
- Two new sub-targets were adopted with regard to refrigerant-related greenhouse gas emissions and electricity consumption per square metre sales area (see [Objectives](#)). ✓

All measures to achieve the defined objectives were implemented throughout the group; any deviations are described explicitly. Information about upstream supply chains can be found in [Climate Protection in the Supply Chain](#). ✓

To reach its targets, the REWE Group has had its annual greenhouse gas emissions reported by independent experts since 2006 so that it can review its progress (see [Carbon Footprint Report 2021](#)). The reporting framework includes all parts of the value chain that can be directly controlled. Specifically, this means: Emission data relates to the process chain from the central warehouses to the stores of the REWE Group and to the travel agencies and administration. It does not include manufacture and transport of the products or product use and disposal by customers. ✓

In addition to outlining the achieved savings, the Carbon Footprint Report highlights the fundamental levers that the company has at its disposal. The major causes of greenhouse gas emissions are electrical, heating and refrigeration systems. Other causes are logistics and business trips. To allow a better comparison, the focus is on direct and indirect greenhouse gas emissions. In future, paper will be reported as resource consumption. ✓



Responsibility

The Energy, Climate and Environment Working Group is responsible for climate protection on a company level. The working group is led by Telerik Schischmanow (Divisional Management Board Trade Germany – Administration and Services). Operational implementation in the regions and strategic business units is handled and expedited by dedicated specialist areas, such as energy managers. ✓

Objectives

In 2021, the REWE Group set a new absolute target in relation to its climate strategy: the REWE Group wants to achieve climate neutrality at the company level by 2040. This applies not only to Germany and Austria, but to all countries and companies in which it is active. To do this, in a first step, by 2030 it will reduce absolute greenhouse gas emissions by 30 per cent compared to the base year of 2019. The emission level set by the REWE Group takes account of the use of certified green electricity in all stores, warehouses and travel agencies since 2008. ✓

In addition to its climate targets, the REWE Group has defined two KPIs to track the effectiveness of energy efficiency measures and activities to reduce greenhouse gas emissions. They focus on activities that cause significant consumption or greenhouse gas emissions where the REWE Group can have a direct effect through its own actions: refrigerant-related greenhouse gas emissions and electricity consumption. ✓

KPI/Target	2019 ¹	2020	2021	Status
Reduce total greenhouse gas emissions for all countries and companies of the REWE Group by 30% by 2030 (compared to 2019)	–	- 8.1%	- 7.3%	↻
Climate neutrality for all countries and companies of REWE Group by 2040				
Reduce refrigerant-related greenhouse gas emissions for all countries and companies of the REWE Group by 60% by 2030 (compared to 2019)	–	- 11%	- 18%	↻
Reduce electricity consumption per square metre of sales area by 10% by 2030 (compared to 2019)	–	- 3.1%	- 5.2%	↻

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

¹ No data, as it is the base year.

These targets replace the previous ones that REWE achieved prematurely for Germany and Austria before 2022:

KPI	Status
Halve greenhouse gas emissions (CO ₂ equivalents) for Germany and Austria per square metre sales area by 2022 compared to 2006	✓
Reduce refrigerant-related greenhouse gas emissions per square metre sales area (in kg CO ₂ equivalents/m ²) by 35% in Germany and Austria between 2012 and 2022	✓
Reduce electricity consumption per square metre sales area (in kWh/m ²) by 7.5% in Germany and Austria between 2012 and 2022	✓

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

To prevent and reduce greenhouse gas emissions on a company level and reach its targets, in addition to using climate-friendly refrigerants (see [Reducing refrigerant-related greenhouse gas emissions](#)) and green electricity (see [Energy](#)), the REWE Group focuses on the following: modern, energy efficiency stores (see [Green Building](#)) and alternative drive systems (see [Logistics & Mobility](#)).

The REWE Group will try to neutralise unavoidable residual greenhouse gas emissions in the future with appropriate measures. ✓

Carbon Footprint Report 2021

During the reporting period, the monitoring instrument, the annual carbon footprint report, was carried out for Germany by INFRAS AG and for Austria by denkstatt GmbH. The service providers calculated greenhouse gas emissions in accordance with the GHG Protocol. ✓

In determining CO₂ equivalent emission factors, as in the previous years, data from the material-flow-analysis model GEMIS, the transport emission model TREMOD and the life-cycle analysis database Ecoinvent were used, among other things. ✓

Complaint procedure

REWE Group attaches great importance to tips and improvement suggestions from employees with regard to its general approach and to the actions it takes in the areas of climate protection on a company level and energy. The REWE Group has set up a central e-mail address for this purpose: EnMS@rewe-group.com. External stakeholders can also use this address. However, they also have all other communication channels of the REWE Group at their disposal. For more information, refer to [Energy](#), optimising energy consumption. ✓

GRI 305-1, 305-2, 305-3:

Greenhouse gas emissions scope 1–3 (tonnes CO₂ equivalents)¹

Total greenhouse gas emissions for all international companies of the REWE Group fell from 1.47 million tonnes in the base year 2019 to about 1.36 million tonnes in 2021. This represents a decrease of about 7.3 per cent.

	2019	2020	2021	Change 2019–2021
Scope 1: Direct greenhouse gas emissions (GRI 305-1)	874,846	778,333	791,664	- 9.5%
Scope 2 ² : Indirect energy-related greenhouse gas emissions (GRI 305-2)	264,682	237,069	217,431	- 17.9%
Scope 3: Other indirect energy-related greenhouse gas emissions (GRI 305-3)	326,735	331,669	350,010	7.1%
Total greenhouse gas emissions	1,466,262	1,347,071	1,359,106	- 7.3%

Scope: all countries and companies of the REWE Group, including retailers.

¹ 102-48: Compared to the 2020 reporting year, the base year for the KPIs has changed from 2006 to 2019; the reporting framework was also extended to include all countries and companies in which the REWE Group is involved.

² The green power generated for companies of the REWE Group in Germany meets the requirements of Label EE01 of TÜV SÜD, a technical inspection association in Germany.

GRI 305-4:

GHG emissions intensity

Specific greenhouse gas emissions (per square metre sales area) of the REWE Group remained constant over the reporting period. In 2021, the figure was 109 kilograms CO₂ equivalents per square metre. The calculation of emissions intensity includes direct, indirect energy-related and other indirect emissions (scopes 1, 2 and 3).

Greenhouse gas emissions¹

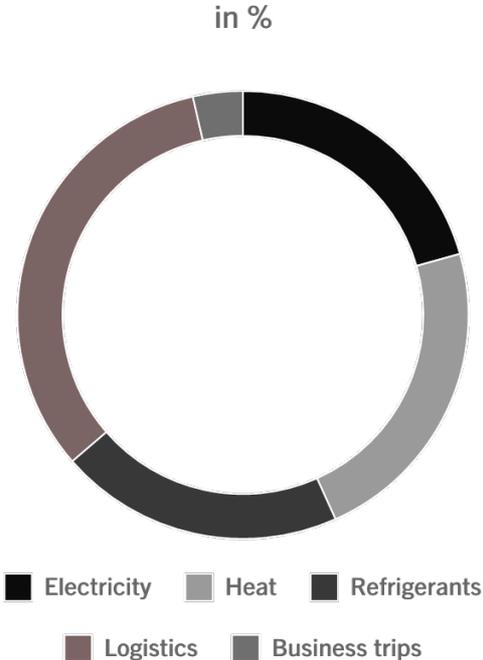
	Unit	2019	2020	2021
Total greenhouse gas emissions	t CO ₂ equivalents	1,466,262	1,347,071	1,359,106
Specific greenhouse gas emissions per square metre of sales area	kg CO ₂ equivalents/m ²	119	109	109

Scope: all countries and companies of the REWE Group, including retailers.

¹ The green power generated for companies of the REWE Group in Germany meets the requirements of the Label EE01 of TÜV SÜD, a technical services company in Germany.

The greenhouse gas emissions of the REWE Group were broken down in the following manner for 2021:

Share of greenhouse gas emissions by originator group (scope 1–3) in 2021



Scope: all countries and companies of the REWE Group, including retailers.

GRI 305-5:

Reduction of greenhouse gas emissions

The REWE Group has taken various measures to save electricity, which result in a reduction of greenhouse gas emissions (for more information, refer to [Energy](#)). As a result of these efforts, about 398 tonnes of carbon dioxide equivalents were saved in 2021.

Steps to lower CO₂ emissions¹

Measures	Savings of CO ₂ equivalents (tonnes)		
	2019 ²	2020 ²	2021
Lighting Conversion of lighting systems to LED, optimisation of light management, reduction of turn-on times	102	171	159
Refrigeration For example, use of glass on dairy-product shelves and doors on freezers, retrofitting of glass doors, optimisation/upgrading of system technology, replacement of refrigeration systems and energy-efficient display cases	60	81	161
Improvements in the technology of other systems, ventilation systems and IT infrastructure	1	34	78
Total	163	286	398

Scope: companies of the REWE Group in Germany and Austria including retailers. Not included are measures to reduce the electricity consumption of Lekkerland and units that left the REWE Group in terms of the scope during the reporting period.

¹ The basis for the calculation are the energy-saving initiatives used for GRI 302-4.

² 102-48: The values for 2019 and 2020 differ from those in the last sustainability report due to the use of market-based emission factors instead of location-based emission factors.

GRI 305-6:

Emissions of ozone-depleting substances (ODS)

In recent years, the REWE Group has consistently reduced its use of ozone-depleting refrigerants – no ozone-damaging refrigerant has been used since 2020. The chief reason for this was the legally mandated replacement of the refrigerant R22 with non-ozone-depleting refrigerants.

Emissions of ozone-depleting substances by weight (kilograms)

	Unit	2019	2020	2021
Total emissions of ozone-depleting substances from replenished refrigerant	kg of CFC-11 equivalents	0.3	0	0

Scope: All countries and companies of the REWE Group including retailers.

GRI 305-7:

Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

The airborne pollutants associated with the business activities of the REWE Group are primarily caused by upstream combustion and production processes used to make electricity, heat and paper. Emissions generated by refrigerants, logistics and business trips also have an impact on air quality.

Air pollutant emissions, including upstream chains (t)

	2019	2020	2021
NO _x	1,273,712	1,343,324	1,221,380
SO _x	270,099	300,177	312,308
Fine particulate matter (particle < 10 µm)	41,099	56,274	50,273
Non-methane volatile organic compounds	66,239	89,908	58,179

Scope: companies of the REWE Group in Germany and Austria including retailers. Units that are no longer part of REWE Group were excluded during the reporting period in terms of the scope.

Reduction of refrigerant-related greenhouse gas emissions

The greenhouse gas emissions produced by refrigerating systems are largely the result of the refrigeration agents used in them. The REWE Group decided early on to use climate-friendly refrigerants. These agents increasingly also include natural refrigerants such as CO₂ and propane and refrigerants with lower greenhouse gas potential. By doing this, the REWE Group has been able to reduce refrigerant-related greenhouse gas emissions from 364,544 tonnes in

2019 to 277,212 tonnes in 2021. Throughout the group, this represents a 24 per cent reduction.

Within the framework of the REWE Group's sustainability strategy, in the REWE and PENNY stores all multi-compressor systems for commercial refrigeration in new buildings and in most refurbishments are equipped with CO₂, a natural refrigerant. Plug-in refrigerating units that will be used in future at all new and refurbished stores will operate with propane (R290), a natural refrigerant.



GRI 306

Waste

Various waste products are produced through the REWE Group's business activities. Proper recycling of unavoidable waste is an important objective of the company in order to conserve valuable resources.

Three areas of action were defined in the pillars Energy, Climate and the Environment of the group-wide sustainability strategy: Climate-relevant emissions, energy efficiency and conservation of resources. The latter are activities in relation to waste management. The REWE Group's goal is to mechanically recycle waste in order to conserve resources.

GRI 306-1: Waste and significant waste-related impacts

GRI 306-2: Management of significant waste-related impacts

Management approach

Principles

In dealing with waste and reusable materials, the REWE Group and its waste-disposal partners systematically apply the principle of recycling.

Implementation

In particular, reusable material found in logistics is sorted to the greatest extent possible and can thus be optimally provided for further use. This is particularly the case for non-hazardous wastes. These wastes can be reprocessed to a large extent, and many of them can even be mechanically recycled. In the year under review, this quota was 5 per cent. Nearly all paper, cardboard and boxes are mechanically recycled. This group makes up the largest share of all waste at almost 41 per cent. Paper, cardboard and boxes are an important raw material for the paper industry, as new paper and cardboard can be produced from the recycled fibres. A large amount of plastics, metals, glass and store rubbish is recycled as well. Organic waste produced in food stores is transported to biogas units where it is converted into electricity and heat.

Avoidance of food waste

The REWE Group strives to keep food waste to a minimum. As a member of the National Wholesale And Retail Dialogue Forum To Reduce Food Waste, the company aims to halve food waste on retail and consumer levels by 2030 and to reduce it along the production and supply chains. To keep the proportion of unsold merchandise as low as possible, modern forecasting systems and automated ordering processes are used in combination with short transport routes and end-to-end refrigeration. These actions help ensure that the stores are supplied in a demand-driven manner. On an annual average, PENNY and REWE now sell more than 98 per cent of their food. However, REWE und PENNY provide food that can no longer be sold but can still be eaten safely to local food banks. For more information about the REWE Group's commitment to the avoidance of food waste, see [Projects and Sponsorships](#).

The commercial experience of employees also plays an important role in estimating requirements, and the REWE Group offers regular training courses on this subject.

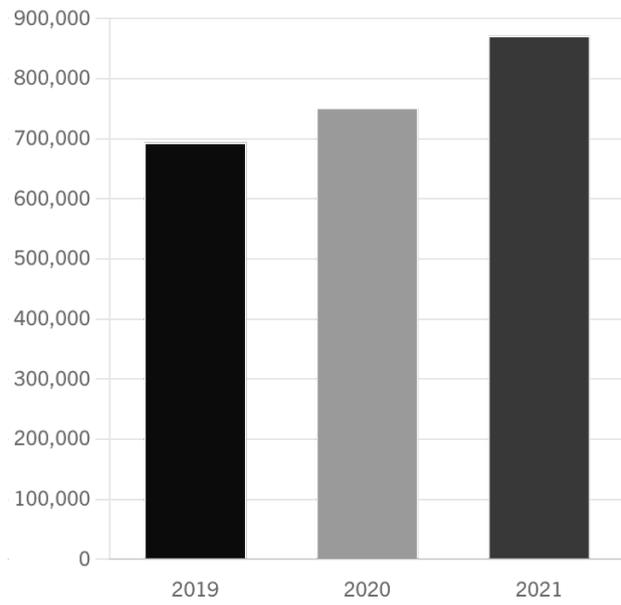
GRI 306-3:

Waste generated

The amount of non-hazardous waste in the group in Germany and Austria totalled about 872,000 tonnes in 2021. This was a 16 per cent increase compared to the previous year. The increase was due mainly to the fact that Lekkerland and independent retailers were included in the report for the first time.

In past years, at much less than one per cent, hazardous waste – mainly certain old electrical appliances, oil, vehicle batteries and fluorescent tubes – made up a very small part of the total waste. It is not expected that the volume of hazardous waste will increase significantly. Therefore, due to the complex effort of recording this, it is no longer reported separately in the sustainability report.

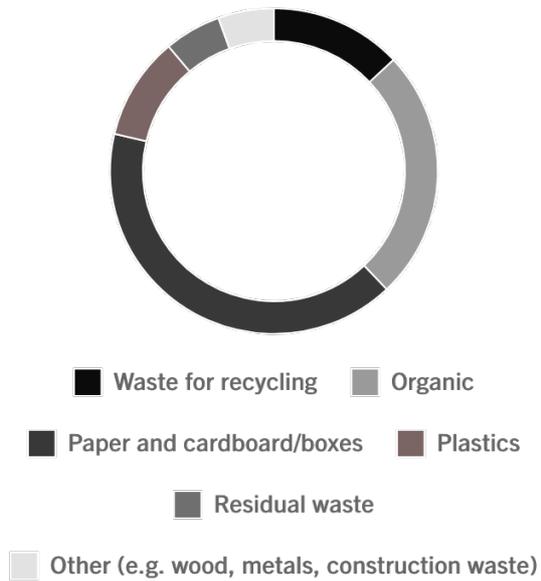
Non-hazardous waste – total volume (t) *



2019	2020	2021
693,747	751,994	871,799

* 102-48: There are differences in the data for 2019 and 2020 compared to reports from previous years. Data from the Lekkerland sales line and independent retailers has been included retroactively in the survey for the first time.

Non-hazardous waste – percentage by waste type



Waste for recycling	Organic	Paper and cardboard/boxes	Plastics	Residual waste	Other (e.g. wood, metals, construction waste)
13 %	24.9 %	40.7 %	10.2 %	5.6 %	5.5 %

Scope: Companies of the REWE Group in Germany (with independent retailers) and Austria (without independent retailers). The waste volumes of units that left the REWE Group in terms of the scope during the reporting period are not included.



GRI 307

Logistics and Mobility

When goods are transported, fuel is consumed – through the transport of goods from the production facilities to the warehouse, from the warehouse to the store and through online ordering when goods are delivered to the customers. These consumptions are reflected in energy consumption and in the release of emissions.

Three areas of action were defined in the pillars Energy, Climate and the Environment of the group-wide sustainability strategy: Climate-relevant emissions, energy efficiency and conservation of resources. The actions in the area of logistics and mobility are assigned to the pillars Energy Efficiency and Climate-Relevant Emissions.

GRI 307: Logistics and mobility

Management approach

Principles

The REWE Group is continuously looking for ways to reduce fuel consumption. The company is also doing everything it can to ensure that the mobility of its employees generates as few emissions as possible.

Implementation

The REWE Group takes many measures to optimise its logistics and transport processes.

Measures in the area of logistics and goods transport

The REWE Group Logistics ensures that the company's stores always have the products they need. A complex transport and warehouse system ensures availability, quality and freshness of the products. At the same time, the REWE Group aims to keep fuel consumption and greenhouse gas emissions caused by logistics as low as possible. To achieve this, the REWE Group uses the following levers: strategic reduction of distances between stores and warehouses, high capacity utilisation of the vehicles, reduction of emissions per kilometre driven through differentiated logistics concepts, the use of more efficient vehicle technology and changes in driving behaviour.

Fuel consumption for trucks and cars increased from 1,334 GWh in 2020 to 1,355 GWh in the reporting year.

Fuel consumption of the REWE Group (in GWh)

	Unit	2019	2020	2021
Fuels (trucks/cars)	GWh	1,223	1,334	1,355
Share of fuel consumption (trucks/cars) in total energy consumption of the REWE Group	Per cent	17.9%	19.9%	20.0%

Scope: the REWE Group including retailers. Excluded are units that left the REWE Group and the data was adjusted retroactively.

Transport-related emissions cause about 37 per cent of the REWE Group's total greenhouse gas emissions in Germany and about 36 per cent in Austria. For the entire the REWE Group, the share of greenhouse gas emissions caused by logistics was almost 33 per cent in the reporting year. The absolute increase between 2020 and 2021 was 5,685 tonnes CO₂ equivalents. The percentage increase can also be attributed to the reduced share of greenhouse gas emissions from electricity, resulting from the use of green electricity in Germany and Austria (for more information, refer to [Energy](#)).

Greenhouse gas emissions¹ from logistics (including external carrier logistics)

	Unit	2019	2020	2021
Total greenhouse gas emissions from logistics	t CO ₂ equivalents	433,923	439,590	445,275
Share of logistics in total greenhouse gas emissions of the REWE Group	Per cent	29.6%	32.6%	32.8%

Scope: All countries and companies of the REWE Group, including retailers. Units that are no longer part of the REWE Group were excluded during the reporting period in terms of the scope.

¹ The calculation of emission intensity includes direct, indirect energy-related and other indirect emissions (scopes 1, 2 and 3). For more information, refer to [Climate protection on a company level](#).

Warehouse network structure

The REWE Group's warehouse network also expanded in 2021. For instance, PENNY logistics was reorganised in the Region East. The REWE Group fruit logistics also put the new fruit and vegetables hub in Wiesloch into operation. The warehouse network was also increased through warehouse conversions and extensions at the Stelle, Breuna and Oranienburg locations.

In addition to the improvements in the warehouse structure, forecast techniques and route planning are continuously improved. In 2021, utilisation of the entire truck fleet was approximately 91 per cent of the capacity in use, which is a

one per cent improvement compared to the previous year.

New roll cage trolleys: increased efficiency in goods delivery

In the reporting year, the introduction of new roll cages into the REWE full product range, which began in 2020, was largely completed. The primary transport aid to move merchandise into the REWE Group stores will take account of increased demands. The side rails, which are 15 per cent higher than their predecessors, considerably increases the capacity utilisation of the roll cages and also the trucks. This made it possible to save two million transport units, 51,000 deliveries, 7.2 kilometre and 2.8 million litres of fuel. As well as this increased efficiency, another focus of this development was ease of handling for employees. The new roll cages can be used in many different ways and can be dismantled quickly to take up little space while they are being stored temporarily and to be returned to the warehouse. In 2021, the PENNY sales line also fitted higher side rails to its roll cages to increase the efficiency of goods deliveries.

Vehicle technology and alternative drive systems

Alternative drive systems for cars and trucks are a focus to reduce greenhouse gas emissions (for more information, refer to [Climate protection on a company level](#)). Within the REWE Group logistics, trialling these systems in terms of use, practicability and economic efficiency is an important pillar of the sustainability efforts. Consequently, the REWE Group logistics continuously obtains information about the latest developments with regard to vehicle technology and drive systems.

In the REWE Region Central, gas-powered trucks are a regular part of the fleet. In 2021, eleven trucks ran on CNG (compressed natural gas). In addition, in national long-distance traffic between the central warehouses and the regional warehouses, seven trucks use LNG (liquefied natural gas).

REWE International AG also works with alternative drive systems and, in Austria, began using two diesel hybrid trucks and seven trucks running on natural gas at the end of 2021. Between September 2018 and September 2021 a fully electrically operated prototype truck supplied the retail stores in the Vienna municipal area. IN 2002, another eTruck trial is planned for the Vienna area.

The eTruck was developed and put into operation within the framework of a long-term partnership between REWE International AG and the Council for Sustainable Logistics (CNL). REWE International AG is also participating in the MEGAWATT-LOGISTICS project of the University of Natural Resources and Life Sciences, Vienna. The aim is to find solutions for the challenges of changing over to electric trucks.

To further reduce the emissions of the fleet, the REWE Group also replaces its vehicles regularly. For this purpose, the company once again increased its investments in the truck fleet considerably in 2021. Older vehicles with lower

emission classes were increasingly replaced by new Euro-6 vehicles. At the end of 2021, the share of vehicles that met the Euro 6 emission standard was 92 per cent in Germany and 83 per cent in Austria (in terms of the company's entire fleet of trucks).

In Germany, average fuel consumption per 100 kilometres also fell by one per cent compared to the previous year.

Deliveries with battery-operated trucks: feasibility analysis

In 2021, in the REWE Region North-East, a research project was carried out in collaboration with the Fraunhofer Institute for Systems and Innovation Research ISI. The objective was to analyse the technical feasibility and economic efficiency of battery-operated trucks in heavy traffic. The urban and regional distribution logistics of Oranienburg and Berlin-Mariendorf warehouses were used as case studies. The energy consumption was simulated for 9,500 actual routes of 224 heavy trucks and the total usage costs for acquisition from 2021 and eight years of operation were calculated. The result: current eTrucks and models announced for the future could electrify a large part of the distribution traffic. Up to 42 per cent of the vehicles that were considered and 21 per cent of the carrying capacity would be feasible with battery-operated trucks and, compared to conventional trucks, total usage costs would also be lower. However, this assumes the corresponding availability of the vehicle models, which is currently not the case in terms of the required numbers within the required time line.

Multi-chamber vehicles for Lekkerland

Since 2013, 231 multi-chamber vehicles and vehicle combinations have been delivering merchandise to the Lekkerland sales line. They have up to three temperature zones simultaneously inside: fresh (0–7 °C), deep-frozen (-18 °C) and ambient products. With this multi-temperature logistics system, only one truck is used to supply the full range of goods ordered to customers, especially petrol station shops and convenience stores. This considerably reduces the number of stops, the kilometres driven and the emissions of the trucks. In 2013, the concept received the German Logistics Award from the Federal Logistics Association.

Delivering to customers

REWE Group is developing a new concept to ensure efficient delivery to customers by REWE Lieferservice (REWE delivery service). It will take account of the challenges of urban centres, such as increasing traffic and the resulting congestion and bans on vehicles. One approach is to use bicycles with trailers. In collaboration with the service provider veloCARRIER GmbH, deliveries in Cologne and Berlin will be made by electric bike. The bikes have a motor and are equipped with a facility to carry merchandise.

In the course of optimising the refrigeration concept for the REWE Lieferservice (REWE delivery service), new thermal boxes were developed in 2021. They use batteries to keep the merchandise cool. They do not require carbon dioxide and can be used time and time again. This means that no dry ice is needed. The first locations were provided with the new thermal boxes in 2021.

Turn assistants for increased safety in road traffic

Within the framework of the safety partnership with the German Federal Department of Transportation, in 2018, the REWE Group began equipping all new vehicles in the REWE and PENNY fleets in Germany with turn assistants. This has been the case with the Lekkerland sales line since 2019. In addition, all existing newer Euro 6 vehicles were retrofitted accordingly. By the end of 2021, more than 500 trucks were retrofitted with assistance systems or added to the fleet as new vehicles already equipped with the systems. Consequently, at the end of the reporting year, more than 70 per cent of the fleet in Germany had been retrofitted. The entire truck fleet should be equipped with turn assistants by the end of 2022.

With this voluntary commitment, the REWE Group points the way for more safety in road traffic. The turn assistant detects road users in the vehicle's direct surroundings and draws the driver's attention to them with acoustic or visual signals. This protects pedestrians, cyclists and all other road users from turning accidents, which often have a fatal outcome.

Due to its business model, the REWE Group Logistics transports mainly food. Because of this, in the event of a transport accident, there is little risk of chemicals or other hazardous materials being released. If transport accidents occur in logistics, they are recorded and followed up at the logistics locations. To prevent serious accidents, all drivers regularly receive driver safety training.

Employee and customer mobility

Energy is consumed and emissions are also produced when employees commute. The REWE Group is working on finding ways to make these commutes emission free as well.

For instance, the REWE Group offers employees, especially in metropolitan areas, a reasonably priced job ticket to use public transport. Entitled employees of the REWE Group can use their mobility budget individually – they can choose a smaller car, for example, and use the amount saved to increase their age pension benefits. In addition to their mobility budget, electric vehicle drivers receive a monthly bonus of up to EUR 150. The monthly subsidy for hybrid vehicles is EUR 50.

At its locations in Cologne, the REWE Group also has 34 charging stations where employees can charge their vehicles. For its employees in Austria, the REWE Group has 100 charging stations for 137 electric vehicles.

To encourage mobility with bicycles, all employees of the REWE Group in Germany have been able to purchase a company bike since 2016 as part of a deferred-compensation model. Employees can use the bicycles to commute to work and enjoy in their leisure time. Since the scheme began, employees have bought more than 8,000 bicycles.

Promote electric mobility by providing charging stations

The REWE Group is making a contribution towards developing the charging infrastructure for electric vehicles and is installing charging stations in the car parks of new stores, which were built according to the Green Building concept. At the end of 2021, 370 stores and administration locations had charging stations for electric vehicles. 150 of these are in Germany, 68 in Austria and 152 in the CEE countries.

In 2021, the company concluded several strategic partnerships with the aim of developing one of the largest and most modern networks of fast charging stations in Germany. By the end of 2024, up to 2,000 additional fast charging stations will be installed at at least 400 selected REWE and PENNY stores and other leased properties. During this time, the REWE Group will install up to 4,000 more charging stations at existing leased properties and new buildings.



RG 1

Green Building

The REWE Group operates stores throughout Germany and Austria. Energy and other resources are used to run these stores every day. The company is determined to systematically reduce the energy that these stores use and to design its buildings in a more sustainable manner.

Three areas of action were defined in the pillars Energy, Climate and the Environment of the group-wide sustainability strategy: Climate-relevant emissions, energy efficiency and conservation of resources. The REWE Group's Green Building strategy is part of these three areas of action the REWE Group's goal is to lower the amount of energy and resources used by its stores by applying the Green Building concept.

RG1: Green Building

Management approach

Principles

“More sustainable products belong in more sustainable stores.” Based on this conviction, in 2008, the REWE Group began developing a new generation of supermarkets that make sustainability come alive for customers and employees and make a measurable contribution to sustainable development.

Modern, energy-efficient stores play a significant role in the measures to achieve the strategic objective of climate neutrality by 2040. In addition to the Green Buildings as important lighthouse projects, the focus is also on existing stores (for more information, refer to Climate Protection on a Company Level).

Implementation

The Green Building concept of the REWE Group combines modern architecture with energy-efficient technologies and the use of renewable energies. For example, primary energy consumption was cut by up to 40 per cent compared with conventional stores. By successfully introducing the Green Building concept, the REWE Group has made the environmental and business case for building and operating more sustainable retail properties. Because the REWE Group frequently leases its stores, the support of investors and landlords for more sustainable building concepts must be gained. Criteria such as economic value, flexibility of use and commercial development costs are key arguments

for this proven construction concept. Evidence of customers' positive responses to this concept can be seen in above-average customer frequency and the related rise in sales revenue.

Next generation of Green Buildings

In May 2021, the first REWE pilot store with a new Green Building concept opened in Wiesbaden, Germany. The pilot store is not an ongoing development of the previous Green Buildings; rather, the decision was made to create a completely new design. At the start of 2016, the first ideas to create a new generation of REWE Green Buildings to succeed the existing concept were seeded. In summer 2016, this led to an architectural competition where REWE as the client remained anonymous to allow the architects the greatest possible freedom of thought. The result is the REWE Green Farming store in Wiesbaden: a pilot store and a prototype for the next generation of sustainable REWE supermarkets. A new, adaptable and sustainable modular store concept that can be customised to suit different locations and conditions in terms of design and construction. Although the store in Wiesbaden has a rooftop farm, the new concept does not envisage this for every new REWE Green Farming store. Rooftop farms will be included only at suitable, selected locations.

This urban farming area on the roof of the store includes a combination of basil growing and fish farming with a closed cycle. The fish dung is used to fertilise the plants, which are also supplied with rainwater. This reduces resource consumption and ensures healthy plant and fish farming. The farm supplies basil and fresh fish to a large number of stores in the region.

The stacked timber design of the roof and columns is an important building block in the use of sustainable material. The timber is completely visible and is not chemically treated. The design uses European coniferous timber from certified forestry inside and certified larch wood for the external supports that are subject to weathering. With its arch-like design, the innovative stacked timber support structure creates a very special atmosphere for shoppers. Since the individual elements are modular, future stores can be built much faster and easier than with conventional designs. The timber elements are also connected with bolts. At the end of the store's life cycle, this will allow it to be demolished in such a way that the material can be reused – an important step towards a circular economy in the construction industry. In addition, with this concept, more timber is used in the building, which means that more CO₂ is stored permanently.

The glass front and back facades of the store allow customers to see inside the store and employees to look out at their surroundings. Daylight is used optimally and is also introduced via a large atrium in the store. Large roof overhangs offer good protection against the sun. Outside the store, an innovative parking area layout minimises the paved area with no adverse effects on the parking spaces. The result is more than 1,000 square metres of permeable greenery that is planted with insect-friendly grass, bushes and numerous trees. For a holistic concept, the store focuses on regional and fresh produce.

For its pilot store in Wiesbaden-Erbenheim, the REWE Group is hoping to be awarded the platinum

certificate from the German Sustainable Building Council (DGNB) (see also [Certification by the German Sustainable Building Council](#)).

The pilot store is currently being analysed with regard to potential improvements. The findings will be used in a standard concept so that sample construction specifications will be available for a future roll-out throughout Germany at many different locations. Parallel to this, DGNB is developing a multiple certificate for the latest generation of green REWE stores so that they can be built efficiently and sustainably and also be certified. The REWE Green Farming store in Wiesbaden already achieves the economic targets that were set, which is why deriving an optimised “blueprint” will also be practically feasible from a financial aspect. In new buildings, the new concept will replace the previous Green Building concept.

In May 2022, at the German Retail Real Estate Congress, the store was named “Store of the Year 2022“ by the German Retail Federation (HDE).

The elements of the Green Building concept

The concept includes the following elements, which are applied in accordance with the needs of the business location:

1. **Daylight architecture:** Ribbon windows on up to four sides of the building and additional dome roof lights facilitate the use of natural light, which is complemented by an energy-efficient LED lighting concept. The natural light tremendously enhances the quality of time that customers and employees spend in the store.
2. **Atrium:** The large atrium, together with the glazed façades, ensures energy-efficient use of daylight.
3. **Rooftop farm:** Aquaponics, a combination of aquaculture and hydroponics, in the rooftop farm creates very good conditions for the cultivation of basil. The fish dung is used as a fertiliser. This system enables food production without pesticides and 90 per cent less water consumption than conventional farming, as the water is used twice.
4. **Organic building materials:** The characteristic structural frame of a Green Building is formed by wood, a renewable resource. This is also the case with the front façade and, in many cases, with the roof shell. Environmentally friendly and recyclable building materials are also used in other areas.
5. **Renewable energies:** Green Building stores use 100 per cent certified green power, just like all other stores, warehouses and travel agencies of the REWE Group. Additional photovoltaic systems will be installed where practical.
6. **Heating:** For heating purposes, no fossil fuels are required thanks to the use of heat pumps and the waste heat of refrigeration systems.
7. **Use of rain water:** To clean floors, flush toilets and water outdoor areas, rain water is collected in containers.

8. **Refrigeration systems and units:** CO₂, a natural refrigerant, is used for normal and combined refrigeration and deep-freeze systems. Propane, another natural refrigerant, is used for plug-in freezers. Buffer-storage units are used to recover heat. Glass-door refrigerated display cases for meat and dairy products help to prevent losses of refrigerated air. The energy efficiency of refrigeration units is increased by using integrated LED lighting systems and energy-saving fans and by forgoing the use of glass heaters for glass panels on freezer units.
9. **Sociocultural factors:** Green Building stores are largely barrier free. They are also equipped with restrooms for the physically disabled and with baby changing tables. Factors such as visual comfort, ambient air and bicycle parking places near the entrance are considered as well.

Certification by the German Sustainable Building Council

In 2013, the REWE Group decided to apply the Green Building concept to all new construction projects and all new leases in Germany as long as fundamental conditions permit its use. The REWE, PENNY and toom Baumarkt DIY stores sales lines have received multiple certifications at the “Gold”^{*} level by the German Sustainable Building Council (DGNB). New buildings are designed in accordance with the Green Building concept or the council’s criteria for sustainable construction practices. By including the criteria in the construction specifications of the sales lines, these requirements also apply explicitly to the leased properties of the REWE Group. At the end of 2021, 315 buildings had been constructed according to the Green Building criteria and another 159 Green Buildings are currently in the building or planning phase.

The DGNB’s seal of quality evaluates a wide range of building features. These include environmental aspects, the stages of the construction process and sociocultural factors regarding well-being, including visual comfort, ambient air, bicycle parking places and customer restrooms. The multiple certification of the building specifications significantly simplifies the certification process because the entire concept has already been subjected to a thorough review. This is a key pre-condition for the fast, cost-efficient development of Green Building stores.

^{*} Corresponds to the current classification following a change in the criteria by the building council in 2015.

RG 1-1:

Stores that meet the requirements of the german sustainable building council (Green Building)

Stores completed in accordance with the requirements of DGNB (Green Building), status at the end of the respective reporting year:

	2019	2020	2021
REWE	179	209	233
PENNY	39	51	63
toom Baumarkt DIY stores	13	14	18
Warehouses	1	1	1
Total	232	275	315



Employees

The REWE Group faces a variety of challenges in the area of personnel policy. Owing to demographic developments, the proportion of older employees is steadily increasing and there is a growing shortage of trainees and skilled workers. Moreover, the working world will change dramatically as globalisation and digitalisation continue to progress – accompanied, among other things, by technological change, a shift in cultural values and increasing individualisation. Work will become more digital, more connected and more flexible in the future. This structural change means that many of tomorrow's jobs will be different from those we have today ([Federal Ministry of Labour and Social Affairs, Digitalisierte Arbeitswelt 2020](#)).

A focus on employees is one of the four central pillars of the REWE Group's [Sustainability Strategy](#). Within this pillar, the REWE Group is systematically working on positioning itself for the future, attracting talented young people and binding them to the company in the long term.

Strategic approach

Principles

The corporate culture of the REWE Group is characterised by a trusting and respectful relationship among employees, customers and business partners. The company strives to create a diverse employee structure and to offer employees – regardless of gender, age, religion, origin, sexual identity or disability – a workplace that is free of discrimination and provides equal opportunities for everyone.

Implementation

Committed and qualified employees play a crucial role in the success of the company. It is therefore a central concern of the REWE Group to promote employee satisfaction, performance and productivity. For this to succeed, given the size and diversity of the company, it is essential that there is a strong sense of cohesion among all employees. Various other factors also play a role, including fair pay, extended company benefits beyond the level of negotiated wages, flexible working models that can be adapted to the personal needs of the employees and individually tailored offers that make it easier for them to reconcile their professional and private lives. To this end, the group of companies relies on strategic Human Resources management – with employee-oriented work concepts, safe working conditions, personalised training opportunities and an appreciation of each individual.

Responsibility

All of this is monitored by the “Employees” working group, which is led by Dr Daniela Büchel (Divisional Board Member of Retail Germany – HR and sustainability areas).

Areas of action

The following areas of action have been identified for the “Employees” pillar: values and culture, training and development, health and safety, career and stages of life, and diversity and equal opportunities.

Targets and key performance indicators (KPIs)

To make its progress in the “Employees” pillar measurable, the REWE Group has defined KPIs and corresponding targets. These were updated at the beginning of 2021 in terms of target value and target horizon.

Targets	2019	2020	2021	Status	Measures
Keep the training percentage (trainees as a percentage of the total workforce in full-time equivalents) at 5.4% until 2025	5.3%	5.3%	5.6%	✓	See the section Education and Training Programmes
Increase the level of internally staffed management positions to 80.0% by 2025	74.4%	72.1%	75.1%	↻	
Achieve a balanced gender ratio in management positions by 2025	45.4% female	45.6% female	45.3% female	↻	See the section Diversity and Equal Opportunity
	54.6% male	54.4% male	54.7% male		
Reduce the number of accidents per 1,000 full-time equivalents to 43.5 by 2025	46.9	48.3	48.8	↻	See the section Occupational Health and Safety Management
Keep the employment rate of individuals with disabilities at a level of at least 3.0% until 2025*	3.2%	3.1%	3.0%	✓	See the section Diversity and Equal Opportunity

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

* The employment rate of people with disabilities is calculated by headcount and therefore has a different calculation basis than when determining the mandatory share of employed people with severe disabilities according to Section 154, Book IX of the Social Welfare Code (SGB) (Germany). The decision to calculate the employment rate of people with disabilities by headcount was made in order to be able to determine a uniform key figure for all countries (Germany and Austria). Individuals with disabilities are defined according to Section 2 of the German Social Welfare Code and the Austrian Disabled Persons Employment Act (BEinstG).

Reporting

In the GRI report, all approaches, data and topics related to the “Employees” pillar can be found under:

- [Labour/Management Relations](#)
- [Occupational Health and Safety Management](#)
- [Education and Training Programmes](#)
- [Career and Stages of Life](#)
- [Equal Treatment](#)
- [Diversity and Equal Opportunity](#)



GRI 401

Career and Stages of Life

The demographic shift and developments in the areas of digitalisation and globalisation are changing the world of work and confronting companies with new challenges. Committed and satisfied employees are the basis for long-term business success – promoting and retaining them within the company is more important today than ever before.

The focus on Employees is one of the four central pillars of the REWE Group's Sustainability Strategy. Within this pillar, the group of companies has defined five areas of action: values and culture, training and development, health and safety, career and stages of life, and diversity and equal opportunities.

Overcoming challenges together: Coronavirus pandemic and flood relief

The year under review brought special challenges for the employees of the REWE Group – firstly, as in 2020, due to the coronavirus pandemic, but secondly also in relation to the disastrous flooding in Germany.

With regard to the coronavirus, the sales and logistics staff of REWE and PENNY in particular were exposed to high levels of stress during the pandemic. To express its appreciation and gratitude, the REWE Group granted special payments to its employees, as it did in 2020. During these challenging times, it was and is of great importance for the company to secure jobs, allay fears and strengthen team spirit – even more so since the employees of DER Touristik and toom Baumarkt DIY stores were temporarily on short-time work over the course of 2020 and the first half of 2021.

In the wake of the flood disaster, the group of companies supported affected employees with voluntary employer subsidies. These payments went to the victims of the flooding in July, August and, in smaller amounts, also in September. As a rule, the employees were granted 3,500 euros or 10,000 euros in financial support. Some employees received additional payments of more than 10,000 euros in December 2021 and January 2022. In the process, the employees of the REWE Group supported those of their colleagues who needed help during the floods with donations amounting to almost 500,000 euros.

Management approach

Principles

The REWE Group creates an attractive and fair working environment for its employees. It does this, among other things, by offering fair pay, extended company benefits beyond the level of negotiated wages, flexible working models that can be adapted to the personal needs of the employees and individually tailored offers that make it easier for them to reconcile their professional and private lives.

Implementation

The REWE Group welcomed the statutory minimum wage introduced in Germany in 2014 and always goes along with its annual adjustments. Abroad, the company is guided by the prevailing wage rates of the respective countries. The companies of the REWE Group make sure that any external contractors they work with comply with minimum social standards. Since 2011, the “Group Guidelines on the Deployment of External Staff” have been in force at the national level within the Group, both when working with temporary employment agencies and when deploying external staff through work or service contracts. According to these guidelines, the group only uses contract partners that guarantee to comply with minimum social standards as well as any collectively agreed minimum wages and the statutory minimum wage. To ensure that the contract partners comply with the standards, the REWE Group has worked with TÜV Rheinland, a leading international technical service provider in Germany, to develop an auditing process which is also carried out by this service provider. The audits are conducted in the areas of stock replenishment, order picking and cleaning staff, for example. In addition, the REWE Group implements a number of measures and projects (see section [Measures and Projects](#)) to ensure a good employment relationship.

Career and family audit certification

Since 2009, the sales lines of the REWE Group have been certified in accordance with the career and family audit by berufundfamilie Service GmbH, an initiative of the non-profit Hertie Foundation. With around 190,000 employees in Germany covered by the audit, the REWE Group is currently the largest company in the country to have received this certification.

REWE sales line

Under the REWE sales line, around 2,700 retail stores as well as six administration and six logistics sites have been certified for several years, with around 137,000 employees benefiting from this. The REWE sales line’s focal areas in 2021 included:

- Recertification in the first quarter
- Strengthening and definition of the role of career and family mentor, i.e. contact persons for the topic of career and family in the stores
- Mobile working for store managers (preparation for pilot)

- Inclusion of part-time store management in normal operations
- Preparation of a regional maternity leave brochure

In 2021, the “[Career and Family](#)” web page was published under the REWE career pages, featuring many best-practice examples on different stages of life along with other useful information. This is a place where employees from the stores can seek information digitally. Thanks to the close cooperation with our health management team, we were also able to include other topics – such as self-help skills based on different stages of life (for more information, see [Occupational Health and Safety Management](#)).

In 2020, the REWE sales line carried out a pilot project on part-time work in management, which led to the recruitment of part-time store managers. The general works agreement negotiated in 2021 has been submitted to the Works Council for a decision in 2022 in order to establish fixed regulations for part-time management in sales. These regulations will then be extended to the entire sales force.

PENNY sales line

PENNY, with 28,550 employees working in the stores, logistics and administration, was the first discounter in Germany to be awarded the career and family audit certificate in 2018 – for its strategically designed human resources policy that takes family and different stages of life into account. After several workshops and management discussions, PENNY was again awarded the career and family audit certificate during the financial year, valid for the next three years. In 2021, the PENNY sales line focused on the following topics:

- Communication of best-practice examples
- Development of part-time concepts in sales
- Continuous external communication through the new employer campaign
- Development of a national concept for part-time store managers in the regions and integration of this concept into its corporate communications

REWE Group headquarters

Since 2012, the REWE Group’s headquarters in Cologne – with its 5,200 employees – has had “career and family audit” certification, and it was recertified in 2018. During the financial year, the REWE Group headquarters focused on the following topics:

- Recertification of the headquarters audit
- Career and Family Reconciliation Week: In June 2021, employees at the Retail Germany headquarters, the holding company, REWE Systems and the national administration of REWE and PENNY were offered 20 events over three days to exchange ideas and provide impetus on the topic of reconciling work, family and their private lives. A total of 427 employees from the central administration sites took part in the Reconciliation Week.

- Employee survey (see also section Employee Satisfaction): The results showed that employees rate the work-life balance very positively. An especially positive rating was given in the category “My manager offers me the flexibility to do my job in the office or at a different place of work”.

toom Baumarkt DIY Stores sales line

The toom Baumarkt DIY stores, headquarters and logistics sites, which together have approximately 16,750 employees, have been certified since 2016 and recertified since 2019. A further recertification is scheduled to follow in 2022. The following activities were completed during the financial year:

- Production of a brochure on the topics of target agreement and performance
- Production of videos for internal and external communications
- Mobile working measures
- Conclusion of a company agreement on the option of working remotely for up to three days after the pandemic

REWE International Dienstleistung GmbH, Austria

REWE International Dienstleistung GmbH in Austria has held the certificate of berufundfamilie Service GmbH since 2013, as have the Austrian sales lines BILLA (since 2015), BILLA PLUS (since 2016), BIPA (since 2016) and PENNY (since 2018). The central units and BILLA PLUS were recertified in 2019 and BIPA in 2020. The certificate was awarded in 2021. As a result, about 44,000 employees in Austria benefit from the certification. Activities during the financial year included:

- Increased communication of work-life balance offers to employees and managers
- Piloting of part-time management in sales and discussion of the framework conditions for this among employees and managers
- Development of mobile working concepts for employees and managers on two days a week (or a proportion of that time in the case of part-time employees)
- Conclusion of written agreements on the number of remote work days after the pandemic

Awards

The REWE Group received the following awards during the financial year:

- REWE Group, PENNY, REWE: Top Employer 2021 (Top Employers Institute)
- REWE Group, REWE: BEST PLACE TO LEARN (certification of company training) 2019–2022

Employee satisfaction surveys

Regular employee surveys are a key component of the REWE Group's respectful human resources management. They reflect company morale and identify problem areas. The survey is directed at different areas of the company each year.

During the financial year, 64 per cent of the more than 230,000 employees at the REWE Group's stores, administrative offices and logistics sites took part in the survey. As a whole, they rated their satisfaction with the workplace and their job as good. They also rated their overall well-being positively, despite the changes in the way they work as a result of the Covid-19 pandemic. The aspects that received the highest ratings were identification with the company as well as transparency and clarity. The way the coronavirus pandemic has been handled, including the provision of information and introduction of hygiene measures, was also perceived as very good. By contrast, the work organisation was rated less favourably. Individual departments have been provided with differentiated evaluations so that they can develop concrete measures on this basis together with the employees.

At the REWE Markt GmbH sales line, the survey of sales staff and regional administrative staff, which was designed together with the HR departments, was carried out in two waves in a completely digital format for the first time in 2021 in order to identify developments more quickly and achieve a higher participation rate.

- The participation rate in the sales department increased by ten per cent compared to 2018, with 77,436 employees (59 per cent) out of a total of 130,445 taking part. The results of the survey were very positive on the whole. Overall satisfaction in sales has improved in all regions since the last survey in 2018 (score 2021: 1.85, score 2018: 2.03). In future, the survey will take place annually.
- At the regional administration sites, 2,143 employees (90 per cent) out of a total of 2,392 took part in the survey. The assessment was generally positive. Work-life balance, the working atmosphere and leadership were rated as very good (score 1.6). In comparison to 2016, there were improvements in the areas of work-life balance and creative freedom.

Measures and projects for a good working relationship

The REWE Group implements measures and projects that promote an attractive working environment and make it easier for employees to balance their professional and private lives. Employees are thus able to organise their working day more individually and flexibly – for example, through the possibility of working remotely, the elimination of core working hours and an expansion of working hour windows. They can also reduce accrued overtime more flexibly by taking several consecutive days of compensatory time off, even before or after holiday days. These measures have been incorporated in various company agreements to make them binding.

Mobile working

In 2021, the employees at the REWE Group's central locations were asked to work remotely as far as possible until the early summer and again from autumn onwards. The basis for this is a digital platform that enables them to work

together regardless of their location. Between June and September, employees were given the choice to return to the office thanks to an occupational safety concept that exceeded the legal requirements.

Coronavirus pandemic and the new working world: REWE DNA

Since 2020, the REWE Group has been looking into how mobile working can be optimised and institutionalised at its administration sites. For this purpose, it launched the “REWE DNA – Your New Working World” project, whose first step consisted in identifying concepts and conditions for the best possible implementation of flexible working. The results in 2021:

- Flexible working is offered up to two days per week (as an orientation). This is coordinated between manager and employee, taking the nature of the job into account
- Workshops were held with the managers in all Management Board departments
- Team workshops took place at various levels
- Virtual information and exchange formats for employees and managers were offered on a regular basis
- Learning opportunities were offered to make managers and employees fit for the new working world
- Hybrid meeting rooms were provided
- About 3,000 desks were replaced with height-adjustable versions in preparation for the introduction of desk sharing at the headquarters in Cologne
- Standardised technical equipment was introduced for work in the office and at home
- Digital signature tools, digital whiteboards and telephony via Microsoft Teams were implemented

Many of these things became part of normal operations at the central locations at the end of 2021. The project is continuing in particular as regards change support and communications on floor space planning and technology.

At DER Touristik, too, mobile working formed part of everyday business during the financial year, with remote work becoming compulsory again in autumn 2021. All employees are gradually being equipped with laptops. The project is scheduled to be completed by the end of the first half of 2022, but delivery bottlenecks may cause some delays. A company agreement on mobile working was concluded with the General Works Council of DER Touristik, offering all parties flexibility and security for the time after the obligation to work remotely.

Childcare

To make it easier for employees to return to work after taking family leave, the REWE Group has expanded both its corporate childcare services and cooperation agreements for kindergarten places in individual regions over the past years. The REWELINOS company day care centres in Cologne, for example, have a capacity of 95 places. In Wiener Neudorf, twelve places are available to employees of REWE Group Austria. DER Touristik has 23 allotted places at a day nursery for children under the age of three. In individual regions of Germany and Austria, there are also cooperation agreements for public kindergarten places and/or places in private kindergartens at reduced prices. The REWE Group continuously works to expand this. What's more, special parent-child offices at all central locations enable employees to take their children to work with them in an emergency.

In response to the lockdown from February to March 2021, the REWE Group also offered a digital emergency childcare service: via awo lifebalance (see next section), a free virtual childcare service with interactive programmes, sing-alongs or games was set up at short notice for employees who had an urgent need for it. This service was booked 471 times.

Accomplishing more through cooperation: awo lifebalance

The REWE Group has been working with awo lifebalance (formerly AWO ElternService) since 2008. This partner offers a wide range of advisory and referral services for childcare and nursing. Its services are available to all employees at central and regional locations, stores and logistics sites in Germany. During the financial year, REWE and PENNY employees used the advisory service just over 100 times, with the number of childcare and nursing enquiries evenly matched. In addition, the REWE Group offers holiday camps across Germany through awo lifebalance.

There are many other forms of support in Germany and Austria with regard to childcare during the holiday periods. Following the cancellation of childcare services due to the coronavirus pandemic in 2020, these subsidised offers were able to take place again during the financial year. The one- to two-week holiday camp programme during the summer holidays was attended by a total of 292 children in Germany and 317 children in Austria. Participants could choose between a kids' camp, a sports adventure and an English action camp.

In addition, toom Baumarkt DIY stores support tutoring for the children of employees by offering a gross monthly salary supplement of 100 euros for a period of six months. The aim of this programme is to provide affordable support and ease worries about children's grades. A total of 250 slots for employee children are available at the provider Studienkreis. However, the tutoring slots were not used in 2021 due to the coronavirus pandemic. In Austria, long-term courses are available at heavily discounted rates, in cooperation with the organisations Schülerhilfe and Lernquadrat.

Caring for relatives

It is becoming increasingly important for companies to provide support for employees who are caring for their relatives. As a supplement to the German Family Caregiver Leave Act, the REWE Group has company agreements in place that offer various benefits to employees. These include:

- Long-term care and family care leave for employees of all companies, regardless of the number of employees. This offer was taken up by 152 employees in 2021
- Two hours of paid time off from work to handle official business and process necessary applications
- The option for employees to return to their original jobs after the end of the care and family care leave, unless there are compelling operational reasons against this

Sabbaticals

The REWE Group offers a sabbatical from work and has met with a positive response: a total of 160 employees in Germany took advantage of this offer during the financial year (2020: 131). Employees can take a sabbatical for up to six months within a twelve-month period without having to give a reason. During the time off, they are paid a correspondingly adjusted wage, thus allowing for continued social insurance coverage.

Partial retirement

In addition, the REWE Group provides its employees with a partial retirement programme that eases their transition from the work world.

Part-time management: Promoting job sharing and co-leadership

In 2021, the Retail Germany headquarters developed a concept for promoting job sharing/co-leadership in order to enable managers to work part-time (see section [Career and Family Audit Certification](#)). The concept was communicated to all managers by the end of the first quarter of 2022 to make them aware of this possibility.

In addition, part-time management (with and without a tandem partner) was addressed during the 2021 Career and Family Reconciliation Week by means of best-practice examples. The topic will continue to be discussed via suitable platforms and channels in the future. The company has also set up a regular virtual Tandem Café for tandem partners as well as interested part-time managers where they can exchange ideas and experiences. There are currently five job-sharing tandems and three co-leadership tandems at the REWE Group's Retail Germany headquarters.

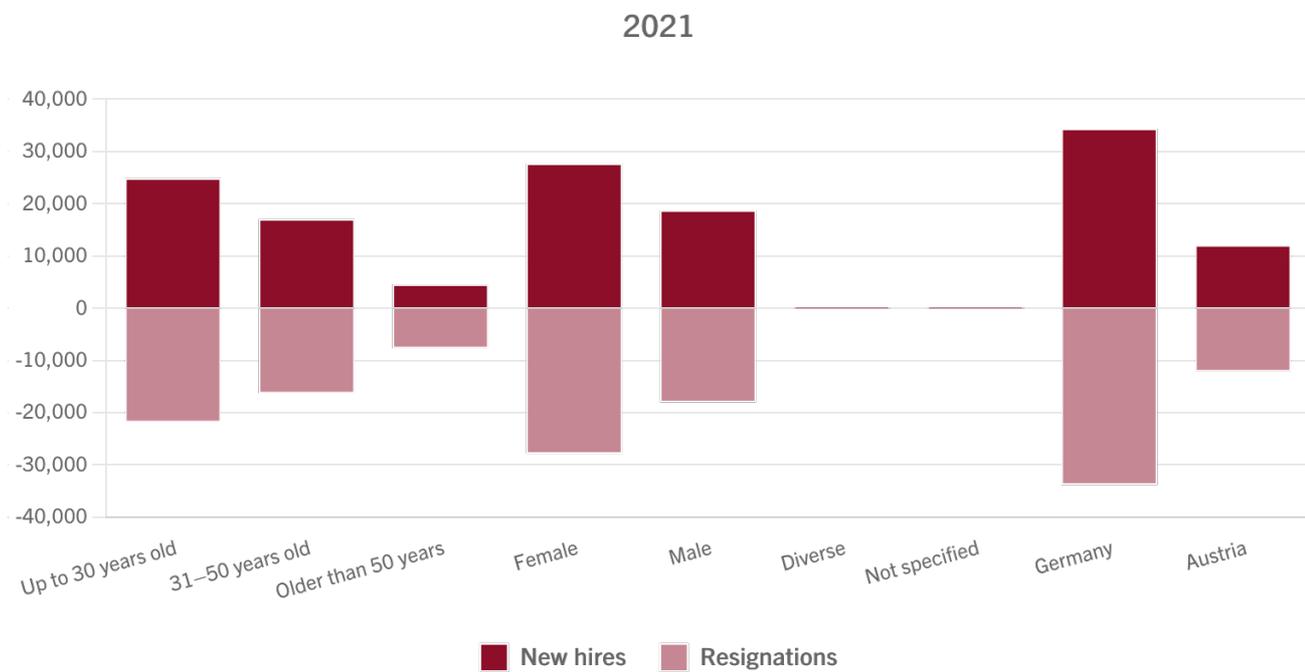
GRI 401-1:

New employee hires and employee turnover

The turnover rate among REWE Group employees has been relatively stable for years, ranging between 17 and 22 per cent. It increased from 19.1 per cent in 2020 to 21.1 per cent in 2021. The German industry average in 2020 was 29.2 per cent.* The hiring rate of new employees at the REWE Group fell from 21.7 per cent in 2020 to 21.3 per cent in 2021. There were no mass layoffs during the financial year.

* Information taken from the Federal Employment Agency's report "The Labour Market in Germany 2020", published in October 2021. The figure covers the sectors of retail, maintenance and repair of motor vehicles.

New hires and departures



2021

	Up to 30 years	31-50 years old	Older than 50	Female	Male	Diverse	Not specified	Germany	Austria
New hires	24,859	17,032	4,577	27,707	18,754	5	2	34,390	12,078
Departures	-21,876	-16,356	-7,728	-27,898	-18,057	-4	-1	-33,821	-12,139

2020



2020

	Up to 30 years	31–50 years old	Older than 50	Female	Male	Diverse	Not specified	Germany	Austria
New hires	24,858	16,252	4,369	26,187	19,284	3	5	34,858	10,621
Departures	-18,989	-13,891	-7,093	-23,945	-15,953	-1	-5	-29,705	-10,268

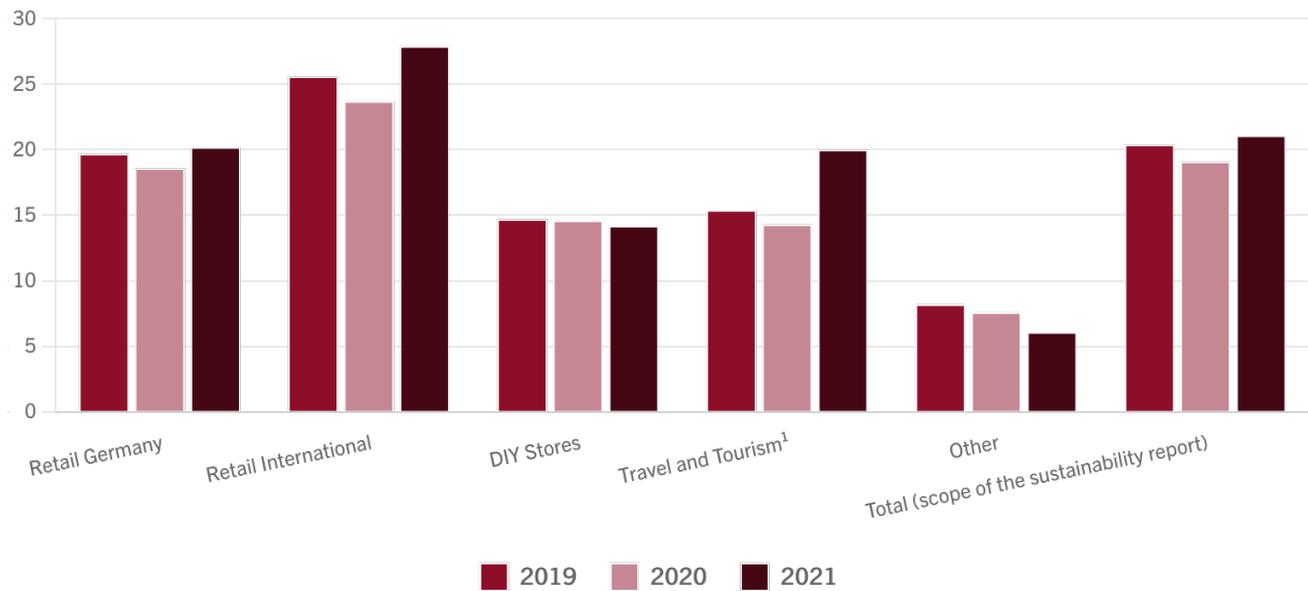
2019



2019

	Up to 30 years	31–50 years old	Older than 50	Female	Male	Diverse	Not specified	Germany	Austria
New hires	22,673	15,524	4,271	26,035	16,431	2	0	30,746	11,722
Departures	-19,989	-14,903	-6,708	-25,207	-15,452	-1	0	-29,756	-10,955

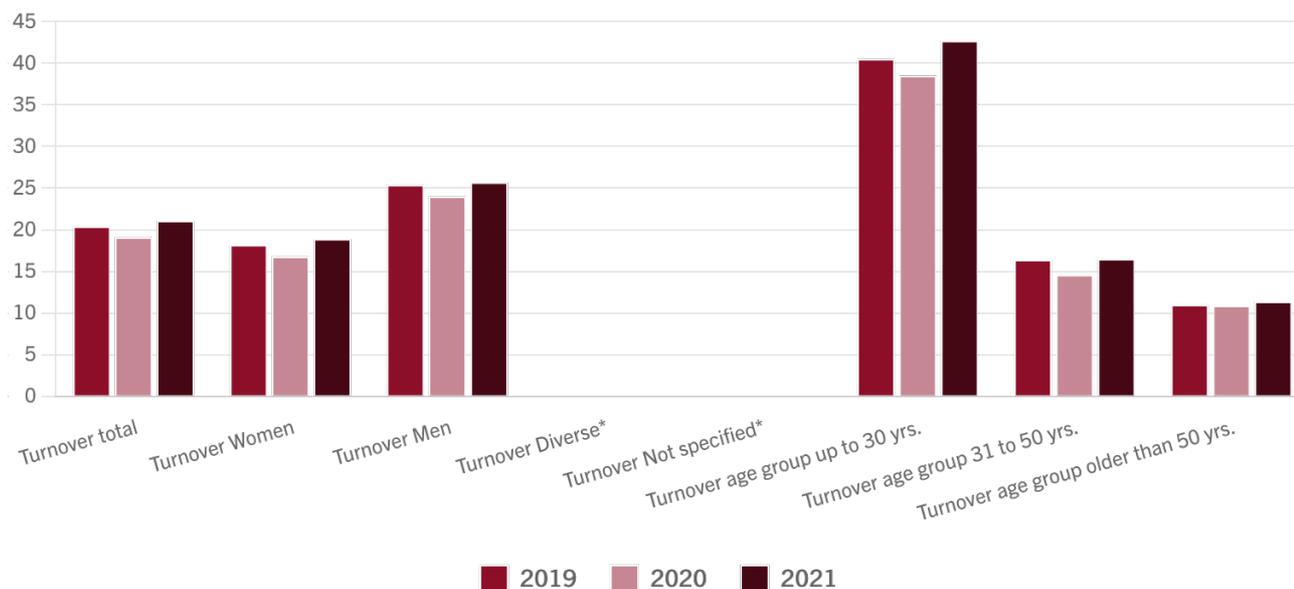
Personnel turnover based on business segment in per cent



	Retail Germany	Retail International	DIY Stores	Travel and Tourism	Other	Total (scope of the sustainability report)
2019	19.7	25.6	14.7	15.4	8.2	20.4
2020	18.6	23.7	14.6	14.3	7.6	19.1
2021	20.2	27.9	14.2	20.0 ¹	6.1	21.1

¹ The surge is due in particular to the coronavirus pandemic and the resulting uncertain business situation in the tourism industry.

Personnel turnover by gender and age in per cent



	Turnover – total	Turnover – Women	Turnover – Men	Turnover – Diverse *	Turnover – Not Specified *	Turnover – age group up to 30 yrs.	Turnover – age group from 31 to 50 yrs.	Turnover – age group from 50 yrs.
2019	20.4	18.2	25.4	–	–	40.5	16.4	11.0
2020	19.1	16.8	24.0	–	–	38.5	14.6	10.9
2021	21.1	18.9	25.7	–	–	42.7	16.5	11.4

* Due to low absolute numbers, no meaningful rates can be reported.

GRI 401-3:

Parental leave

Employees of the REWE Group receive support both before and during parental leave – for example, through information events on the subject of parental leave and returning to work.

The REWE sales line has a Stay-in-Touch programme for mothers and fathers working at its headquarters and stores, which is designed to support and improve their return to work after taking a family break. The role of contact person falls to the managers, with guidelines and a digital platform available as of 2022 to assist them in their tasks: for example, if an employee is pregnant, the store manager will receive an appointment reminder and a conversation guide, which can be used as the basis for a voluntary conversation. The guide will contain previously collected

information on the desired scope of the contact. In a first step, the digital platform will be programmed, with a pilot project scheduled for the second quarter of 2022.

The headquarters of Retail Germany communicated the updated Stay-in-Touch programme in February 2022 via the intranet as well as via info sessions during the regular meetings between HR partners and managers. Furthermore, the “Maternity Protection & Parental Leave” brochure was updated, which provides application forms, checklists and other services for expectant mothers and their managers in digital form via occupational health management’s online employee portal “Gemeinsam.Topfit” as well as the app of the same name.

In 2021, toom Baumarkt DIY stores likewise announced and implemented a Stay-in-Touch programme for mothers and fathers at its headquarters and stores. Moreover, employees on parental leave can access internal learning programmes and register themselves in the learning management system in consultation with their supervisors.

In Austria, BILLA employees receive not only information material on pregnancy, parental leave and returning to work, but also a “BILLA baby box” with all kinds of information and baby products. During their parental leave, employees are invited to what is known as a “Karenzjause” – an informal meeting sponsored by the employer that gives employees on parental leave and their children a chance to meet and share a snack. Due to the coronavirus, however, there was no such event during the past financial year. At BIPA, expectant mothers are offered an information package as well as a personal conversation to discuss any further questions they may have. BIPA also supports the “dad’s month” and leave for fathers. Different part-time and job-sharing models support employees returning to work.

Return from parental leave

The REWE Group is an advocate of work-life balance and makes it as easy as possible for employees to return to their jobs following parental leave. In 2021, 12,354 employees in Germany and Austria took parental leave. The group consisted of 1,342 male workers and 11,012 female employees. During the reporting period, 4,498 employees returned to work. A total of 88.5 per cent of employees who returned from parental leave in 2021 were still employed by the REWE Group as of 31 December 2021. The right to parental leave is legally regulated in Germany and Austria.

Number of employees who took parental leave

	2019	2020	2021
Female	10,426	10,492	11,012
Male	1,168	1,184	1,342
Diverse	0	0	0
Not specified	-	0	0
Total (scope of the sustainability report)	11,430	11,676	12,354

Number of employees who returned to work following parental leave*

	2019	2020	2021
Female	3,139	3,170	3,272
Male	880	1,051	1,226
Diverse	0	0	0
Not specified	-	0	0
Total (scope of the sustainability report)	4,019	4,221	4,498

* Full-time, part-time or marginally employed in the context of parental leave.

Number of workers who continued to be employed at the company 12 months after returning from parental leave (end of parental leave)

		Total	as a percentage of all	Total	as a percentage of all	Total	as a percentage of all
			male and female employees who returned from parental leave in 2019		male and female employees who returned from parental leave in 2020		male and female employees who returned from parental leave in 2021
			2019		2020		2021
Female	Departed within 12 months	371	11.5	395	12.5	344	10.8
	Still employed at the company after 12 months	2,610	87.6	2,772	87.5	2,827	89.2
Total number of female employees		2,981		3,167		3,171	
Male	Departed within 12 months	129	15.3	124	13.7	141	13.4
	Still employed at the company after 12 months	714	84.7	783	86.3	909	86.6
Total number of male employees		843		907		1,050	

		Total	as a percentage of all	Total	as a percentage of all	Total	as a percentage of all
			male and female employees who returned from parental leave in 2019		male and female employees who returned from parental leave in 2020		male and female employees who returned from parental leave in 2021
			2019		2020		2021
Total	Departed within 12 months	500	13.1	519	12.7	485	11.5
	Still employed at the company after 12 months	3,324	86.9	3,555	87.3	3,736	88.5
Diverse		0	0	0	0	0	0
Not specified		-	-	-	-	-	-
Total		3,824		4,074		4,221	



GRI 402

Labour/Management Relations

Involving employees in decision-making processes is an important factor within companies – it can promote trustful cooperation between employer and employees and thus strengthen the employees' identification with the company.

A focus on Employees is one of the four central pillars of the REWE Group's Sustainability Strategy. Within this pillar, the group of companies has defined five areas of action: values and culture, training and development, health and safety, career and stages of life, and diversity and equal opportunities.

GRI 402: Labour/Management relations

Management approach

Principles

The combine-wide Guidelines on Sustainable Business Practices serve as a basis for our actions. They are based on the UN Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). The Guidelines say: "We respect the right of employees to form free, independent employee organisations and to conduct free negotiations regarding wages and employee rights."

Implementation

Employee co-determination is very important at the REWE Group. Legal, collective bargaining and company regulations are implemented jointly with the employee representatives in a spirit of trust and cooperation. Almost all employees in the stores, in logistics and in administration are represented by works councils – an ideal structure for chain store retailing. The works councils and management work together trustfully.

GRI 402-1:

Minimum notice periods regarding operational changes

Employee representatives are involved in almost all decisions at the REWE Group as elected representatives of the works councils or supervisory boards. In observance of co-determination and other participation rights, employee committees are provided with information in a timely manner, their views on issues are heard and agreements are reached with them. The REWE Group maintains a dynamic, intense and trusting relationship with works councils. Their representatives are involved in various bodies such as the IT Committee and the Logistics Committee. Operational changes are jointly discussed at an early stage.

In the event of compulsory redundancies, the REWE Group works out redundancy programmes together with the employee committees if necessary. These often contain schemes to help employees gain qualifications and find other employment.



GRI 403

Occupational Health and Safety Management

Companies must make it a priority to ensure safe workplaces and to promote the health of their employees. This work includes avoiding occupational accidents and providing preventive health measures. By doing so, the company not only complies with the law, but can also protect its employees and prevent longer absences. To be as effective as possible in ensuring health and safety, it is necessary to integrate these aspects properly into the company's structures.

Health and safety is an area of action in the Employees pillar of the REWE Group's sustainability strategy. With its activities in this area, the REWE Group aims to guarantee occupational safety and to preserve and promote the health of its employees.

GRI 403: Occupational health and safety

GRI 403-1: Occupational health and safety management system

GRI 403-2: Hazard identification, risk assessment and incident investigation

GRI 403-3: Occupational health services

GRI 403-4: Worker participation, consultation and communication on occupational health and safety

GRI 403-5: Worker training on occupational health and safety

GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Management approach

Principles

The REWE Group ensures a safe and healthy working environment. It takes care to abide by the legal principles and requirements of social accident insurance institutions (employers' liability insurance associations) for occupational health and safety.

Responsibilities

Occupational Health and Safety is organised as an HR service unit that provides its services for PENNY, REWE, REWE Digital, REWE Fulfillment, toom Baumarkt DIY stores and other small units. The department operates throughout

Germany with six teams and around 45 occupational health and safety experts. National coordinators work to continually update and improve occupational safety processes. In addition, there is a national fire safety and hazardous goods officer.

The responsibility for the REWE Group's occupational health management at Retail Germany lies with the Health & Innovation Centre of Expertise (CoE). This centre consistently works for the benefit of the employees, not only in the area of "traditional" occupational health and safety.

At REWE International AG (RIAG), occupational safety is coordinated by the Corporate Security department. Its occupational health and safety experts look after the central units and commercial companies in accordance with the legal requirements. Within the framework of a continuous development process, it identifies possible areas of action, regularly reviews focal points and coordinates their further development.

Implementation

The commercial company analyses and checks relevant work processes for potential health and safety risks and takes appropriate measures to reduce hazards. For this purpose, the Occupational Health and Safety HR service continuously develops occupational safety processes with the help of experts within the entire occupational safety team. This is organised by a national coordinator for occupational safety processes. Expert working groups meet regularly to oversee the analysis, organisation and further development of important topics such as risk assessments and operating instructions.

The occupational safety experts regularly inspect workplaces, paying close attention to government and employers' liability insurance association regulations. Their tasks also include performing systematic accident analyses and evaluating occupational safety reports received from authorities such as the district government, trade supervisory centres, the German Occupational Safety Agency or employers' liability insurance associations. In addition, they hold regular coordination meetings with responsible sales managers or experts from the construction department.

It is crucial to sensitise managers and employees to occupational safety as well as to work conditions and processes that promote human health. Therefore, occupational safety experts also attend meetings of the Occupational Safety and Health Committees in the business units at a regional or national level – in accordance with the management and responsibility structures. In addition, they participate in regular meetings with the units involved, for example in discussions with managers during site inspections. The business units' communication systems are used to provide written health and safety information, as well as e-learning programmes and targeted training for managers and trainees. Notices are posted at the sites to announce occupational safety experts and company physicians as contact persons for questions or suggestions.

The area of action of the national fire safety and hazardous goods officer is currently being restructured. The relevant fire protection and dangerous goods processes are being reviewed and, if necessary, adapted to reflect a more advanced management approach.

With Lekkerland, which was acquired at the end of 2019, there is a regular professional and strategic exchange at the national level. The company has its own occupational health and safety organisation. Its occupational safety committees meet four times a year. The Lekkerland companies and sites are overseen by occupational safety experts and company doctors from the external service provider ias. They conduct regular inspections with regard to ergonomics and safety in the workplace, prepare risk assessments and carry out all relevant examinations. The company's fire protection measures are monitored and inspected by DEKRA. Employees at Lekkerland are sensitised to the topic of occupational safety through company videos.

The REWE Group's uniform occupational health care in Germany is offered by a single cross-company service provider for the sales lines REWE, PENNY, toom Baumarkt DIY stores and DER Touristik. The service provider is coordinated nationally by the CoE Health & Innovation on the basis of statutory operating hours. This is done in agreement with the heads of the business units and occupational safety experts in a needs-based manner that corresponds to strategic objectives.

Award for light strips on the tail lifts of the truck fleet

In 2021, the REWE sales line received the "Golden Hand" award for its commitment to occupational safety. The prevention award of the employers' liability insurance association Berufsgenossenschaft Handel und Warenlogistik (BGHW) is the most important prize for safe and healthy workplaces in Germany in this area. REWE won the main award for equipping its truck fleet with safety lights: LED light strips on the side edges of the tail lifts switch on automatically when opened and clearly indicate where the loading area ends. This helps to prevent workers from falling off the folded-out tail lift when loading and unloading the truck in the dark.

Objectives

In terms of occupational health and safety, the REWE Group aims to reduce the number of accidents to 43.5 per 1,000 full-time equivalents by 2025.

Dealing with the coronavirus pandemic

Due to the continuing coronavirus pandemic in 2021 and the legal requirements that go hand in hand with it, the Health & Innovation CoE has taken on a central role at the REWE Group alongside the Occupational Safety department. As early as the beginning of March 2020, the commercial company entered into dialogue with external bodies (e.g. Robert Koch Institute, Berufsgenossenschaft Handel und Warenlogistik or the Federal Ministry of Labour and Social Affairs) as well as internal national and regional crisis teams in order to agree on requirements and protective measures. Together with the departments and regions, various concepts were devised and measures implemented during the reporting period – from the procurement of protective goods and the erection of partition walls in the stores to regulations on how many people may be present in a room.

Furthermore, the Occupational Health & Safety department and the Health & Innovation CoE developed and implemented a dedicated strategy for some business units to conduct PCR tests themselves. In addition, a process for mass testing was developed at the logistics sites of the REWE Group, and employees were trained in how to carry out the tests. A general works agreement was adopted to organise and govern the testing.

When the individual federal state regulations made vaccination campaigns possible from spring 2021 onwards, these were organised at the administration and logistics sites, with implementation supervised by the company medical service. In winter 2021, there were additional booster vaccination campaigns at the administration and logistics sites. To increase the willingness to be vaccinated, employees were granted time credits for both the first and second vaccinations in the summer and for the booster dose in the winter. Besides organising the protection, testing and vaccination measures, the Health & Innovation CoE, together with the company medical service, advised the various sales lines on all issues related to the pandemic during the financial year.

In Austria, 14,000 vaccinations were organised for employees and their families in 2021. The vaccinations were administered at the Wiener Neudorf headquarters, at a training centre and via public vaccination lines and private clinics.

Efficient risk assessment

One of the success factors for systematically recording and evaluating hazards is an efficient risk assessment. A system is used to record and evaluate the main areas of risk and to draw up proposals for suitable implementation measures. The electronic tracking of risks helps occupational safety officers with their work in this area. The administration sites, PENNY, toom Baumarkt DIY stores and REWE Digital Fulfilment Services (as well as the logistics sites belonging to these companies) use the “Online Risk Assessment” system of the Berufsgenossenschaft Handel und Warenlogistik (BGHW) throughout their operations: An electronic checklist that contains relevant issues is accessed using a tablet, laptop or a PC in the store in order to identify risks and develop appropriate measures. For

REWE Markt GmbH, further important steps were taken in 2021 to replace the existing, very individual risk assessment systems and implement a uniform system. More activities are planned in this connection in 2022.

In 2021, the required risk assessments with regard to the coronavirus and the associated hygiene concepts had to be regularly adapted to the current status. The “blueprint” to be used to document case numbers on site, which was developed and agreed upon by the occupational safety experts, was checked and adapted on a recurring basis and made available to the responsible managers for further processing. As a complementary measure, a specific risk assessment for vulnerable risk groups (such as older employees, employees with pre-existing conditions or pregnant women) was developed in 2020. This allowed the company to develop and agree on the necessary protective measures for employees who are particularly at risk – for example, taking on a different job, mobile working or a ban on employment for their protection.

Mental risk assessments are carried out using either employee surveys or checklists, depending on the business unit, with IT-based documentation wherever possible. In addition, staff-oriented tools such as forums, (health) circles, work situation assessments and other moderated workshop formats are used for specific target groups.

Lekkerland SE conducted a survey on psychological stress among its employees, which was devised with the support of the service provider ias and completed by the end of 2021. In 2022, it will focus on evaluating the results, identifying hazards and deriving measures to optimise the framework conditions for a healthy organisation.

Training in occupational health and safety

Since 2012, e-learning courses on the subject of occupational health and safety have been available as a basic tool for instruction in all REWE and PENNY stores as well as in administration offices. The content is revised at regular intervals to reflect current requirements – most recently in May 2020, with further minor updates in 2021. Courses are completed by all employees and managers (the latter with an additional module on responsibility). Annual reviews are held to ensure that employees remember what they learned. Special topics, in particular local specifics as well as the implementation and use of machines and equipment, are regularly discussed on site between the responsible staff members and users. More than 200 operating manuals are now available for this purpose, which can be used as a basis for specific and target-group-oriented instructions. In addition, a checklist of subjects is being coordinated with the sales department, which will be used to document the specific instructions.

In summer 2020, toom Baumarkt too developed a comprehensive e-learning programme for its DIY stores and made it available in the course of the financial year. Further specific information, such as on responsibility in the context of occupational safety, on being an official representative or on giving on-site instruction on machines and equipment, can be found in a structured form on the process portal of toom Baumarkt.

PENNY uses the interactive training document “Azupoly” to instruct its trainees in a fun way. The programme has developed into a standard annual activity that has since been rolled out to other sales lines such as REWE and toom Baumarkt as well. In 2021, many classroom-based seminars were cancelled due to the coronavirus pandemic. As an alternative, relevant topics were discussed online via digital formats where possible.

In addition, all stores train fire protection and evacuation officers as well as first-aid providers as required by law. REWE and PENNY qualify their fire protection officers by means of specific e-learning courses, which are supplemented by practical elements such as fire extinguishing exercises. The first-aid providers' training is carried out by certified providers, where possible in in-house training sessions or on a decentralised basis.

The REWE Group in Austria also offers legally required occupational safety training and regularly inspects its operating sites.

In addition, it provides safety training for cars and trucks on an ongoing basis. These courses must be completed by all employees who have received a new company car.

GRI 403-9:

Work-related injuries

The accident statistics tracked by the REWE Group cover occupational accidents and the lost work days caused by them. They also facilitate an evaluation by gender and work area. Like the statistics of the employers' liability insurance association, the figures represent reportable accidents per 1,000 full time equivalents (FTEs).

In 2021, the accident rate increased compared to 2020, rising from 48.3 to 48.8 accidents per 1,000 FTEs, thus remaining above the goal of 43.5 accidents per 1,000 FTEs until 2025. The accident was fatal in one case. Sick leave at the REWE Group rose slightly during the reporting period. The total was 7.3 per cent in 2021 (2020: 6.9 per cent). Paid sick leave also went up slightly in the reporting period, reaching 4.5 per cent (2020: 4.3 per cent).

Target/KPI	2019	2020	2021	Status
Reduce accidents per 1,000 full-time equivalents to 43.5 by 2025	46.9	48.3	48.8	↻

☺ In progress ✓ Goal attained – Not available ✗ Goal not attained

In addition to the accident statistics, an accident analysis dashboard was developed and tested in 2021. It was put into live operation in January 2022. Occupational safety experts are thus able to systematically assess all reportable occupational accidents (excluding commuting accidents) and to scrutinise and analyse them for possible causes as a supplement to the descriptive accident report. The aim is to derive suitable preventive measures and to make it easier to identify the main areas where action is needed.

Since 2008, the REWE Group has been producing a health report that covers all types of health insurance schemes and is discussed in various committees. The report summarises the cases of incapacity to work reported to the main health insurance providers in the REWE Group. Data on occupational illnesses is not documented. Experience shows that recognised occupational illnesses only occur to a limited extent at the REWE Group.

Like in the entire retail business, robberies remain an issue at the REWE Group. The employees affected can suffer both physical and mental damage, which can lead to longer periods of absence. The REWE Group follows a policy of acute intervention after traumatic events in the form of professional psychological counselling. One thing that has been observed throughout the retail sector in connection with the coronavirus pandemic is that there has been an increase in aggressive behaviour in the stores. This, too, is something that the REWE Group sees as an area of action in connection with traumatic events. The HR departments of PENNY and REWE are currently working together with the works councils and occupational safety experts to examine and develop measures and processes that ensure acute intervention following not only physically but also psychologically traumatic events and that also offer support in preventing such events. This includes, among other things, special instructions on how to prevent physical and psychological assaults as well as seminar modules.

In 2021, 168 employees in Germany and Austria were affected by robberies or assaults, two fewer than in the previous year. Assaults (such as verbal or physical attacks, for example when checking compliance with hygiene rules in the stores) were recorded and included in this category for the first time in 2021.

REWE Group service providers are generally independent decentralised contract partners. Data on accident rates, sick leave and fatalities in relation to external service providers is therefore not currently recorded.

Accidents, robberies and assaults, and fatalities

Type	Gender	Total (scope of the sustainability report)			Germany			Austria ¹		
		2019	2020	2021	2019	2020	2021	2019 ³	2020	2021
Accidents per 1,000 FTEs ^{2,3}	Female	44.5	45.3	45.8	47.9	49.4	51.0	32.3	30.8	26.4
	Male	51.2	53.1	53.6	54.4	57.5	58.0	34.9	29.9	28.9
	Diverse	0	0	0	0	0	0	0	0	0
	Not specified	–	0	583.8	–	0	583.8	–	0	0
	Total	46.9	48.3	48.8	50.4	52.6	53.8	33.1	30.5	27.2
Number of employees involved	Female	4,863	5,074	5,277	4,082	4,325	4,631	781	749	646

¹ Austrian law does not require a distinction to be made between occupational and commuting accidents. For this reason, this distinction is not available in the systems and cannot be evaluated. Only the total number of accidents (both occupational and commuting accidents) is reported for the REWE Group in Austria. As a result, the figures for Austria are not included in the total for the area of application of the Sustainability Report in the columns occupational accidents and commuting accidents. Since the accident figures in Austria are not broken down by gender, but are included in the total, there may be discrepancies between the total and individual values.

² FTE = full-time equivalent

³ The increase in occupational accidents at the REWE Group in Austria is due to the fact that all non-manual workers have had their own occupational accident absence account since 2019 as a result of the harmonisation of the status of manual and non-manual workers. As a result, non-manual workers' occupational accidents are now clearly recorded.

⁴ For the first time, the category of robberies also includes assaults (such as verbal or physical attacks).

Type	Gender	Total (scope of the sustainability report)			Germany			Austria ¹		
		2019	2020	2021	2019	2020	2021	2019 ³	2020	2021
in accidents ³ (occupational and commuting accidents)	Male	3,249	3,615	3,829	2,886	3,293	3,514	363	322	315
	Diverse	0	0	0	0	0	0	0	0	0
	Not specified	–	0	1	–	0	1	–	0	–
	Total	8,112	8,689	9,107	6,968	7,618	8,146	1,144	1,071	961
	Female	3,478	3,749	3,912	3,478	3,749	3,912	–	–	–
Number of employees involved in accidents (occupational accidents)	Male	2,546	2,920	3,050	2,546	2,920	3,050	–	–	–
	Diverse	0	0	0	0	0	0	–	–	–
	Not specified	–	0	1	–	0	1	–	–	–
	Total	944	949	1,183	944	949	1,183	–	–	–
	Female	604	576	719	604	576	719	–	–	–
Number of employees involved in accidents (commuting accidents)	Male	340	373	464	340	373	464	–	–	–
	Diverse	0	0	0	0	0	0	–	–	–
	Not specified	–	0	–	–	0	–	–	–	–
	Total	6,024	6,669	6,963	6,024	6,669	6,963	–	–	–
	Female	94	96	79	94	96	79	–	–	–
Employees affected by robberies and assaults ⁴	Male	53	68	76	53	68	76	–	–	–
	Diverse	0	0	0	0	0	0	–	–	–
	Not specified	–	0	–	–	0	–	–	–	–
	Total	165	170	168	147	164	155	18	6	13
	Female	94	96	79	94	96	79	–	–	–

¹ Austrian law does not require a distinction to be made between occupational and commuting accidents. For this reason, this distinction is not available in the systems and cannot be evaluated. Only the total number of accidents (both occupational and commuting accidents) is reported for the REWE Group in Austria. As a result, the figures for Austria are not included in the total for the area of application of the Sustainability Report in the columns occupational accidents and commuting accidents. Since the accident figures in Austria are not broken down by gender, but are included in the total, there may be discrepancies between the total and individual values.

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⁴ For the first time, the category of robberies also includes assaults (such as verbal or physical attacks).

Type	Gender	Total (scope of the sustainability report)			Germany			Austria ¹		
		2019	2020	2021	2019	2020	2021	2019 ³	2020	2021
Fatal accidents	Female	3	4	0	3	4	0	0	0	0
	Male	4	1	1	2	1	1	2	0	0
	Diverse	0	0	0	0	0	0	0	0	0
	Not specified	–	0	–	–	0	–	–	0	0
	Total	7	5	1	5	5	1	2	0	0

¹ Austrian law does not require a distinction to be made between occupational and commuting accidents. For this reason, this distinction is not available in the systems and cannot be evaluated. Only the total number of accidents (both occupational and commuting accidents) is reported for the REWE Group in Austria. As a result, the figures for Austria are not included in the total for the area of application of the Sustainability Report in the columns occupational accidents and commuting accidents. Since the accident figures in Austria are not broken down by gender, but are included in the total, there may be discrepancies between the total and individual values.

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⁴ For the first time, the category of robberies also includes assaults (such as verbal or physical attacks).

Days lost due to accidents

	Gender	2019	2020	2021
Total (scope of the sustainability report)	Female	112,342	105,857	120,290
	Male	58,686	60,219	64,131
	Diverse	0	0	0
	Not specified	–	0	5
	Total	171,028	166,076	184,426
Germany	Female	98,597	91,478	105,326
	Male	52,997	54,827	58,367
	Diverse	0	0	0
	Not specified	–	0	5
	Total	151,594	146,305	163,698
Austria	Female	13,745	14,379	14,964
	Male	5,689	5,392	5,764

Diverse	0	0	0
Not specified	–	0	–
Total	19,434	19,771	20,728

Sick leave

		2019	2020	2021
Region		%	%	%
Total (scope of the sustainability report)	Female	7.4	7.6	8.1
	Male	5.7	5.7	6.0
	Diverse	2.4	4.2	6.7
	Not specified	–	23.9	6.6
	Total	6.8	6.9	7.3
Germany	Female	8.1	8.3	8.7
	Male	6.1	6.1	6.3
	Diverse	2.4	4.2	6.7
	Not specified	–	23.9	6.6
	Total	7.3	7.4	7.8
Austria	Female	5.3	5.2	5.7
	Male	4.2	4.1	4.3
	Diverse	0	0	0
	Not specified	–	0	–
	Total	4.9	4.9	5.2

There is no evidence of employees having a high sickness rate or risk of sickness due to their job.

Promotion of worker health

Principles

With regard to occupational health management, Retail Germany defined four areas of action in 2021 as part of a national occupational health management strategy in cooperation with the regions:

1. Optimised use of resources (e.g. drawing up key figures, process for annual action planning)
2. Increasing the reach and penetration rate (communication concepts for employees and managers)
3. Compliance with legal requirements
4. Prevention and occupational health-promotion programmes

The occupational health-promotion programmes at the REWE Group in Austria are based on three areas: physical, social and mental/well-being. There are programmes in place both in the stores and at the headquarters of the commercial companies to promote this holistic approach to biopsychosocial health.

Objectives

Within the framework of health management, the REWE Group wants to sustainably promote the health of its employees and prevent illnesses, thus improving the health rate in the company. To achieve this objective, the Health & Innovation CoE, among other units, is developing concepts and coordinating projects as well as offers for the individual sales lines and their employees.

Projects and measures

In Cologne, occupational health management offers prevention courses under the name Fit.Netz. A total of 3,362 participants enrolled on these courses between 2018 and 2021 – including just 532 participants in the financial year under review due to the coronavirus pandemic. After some course phases had to be cancelled in 2020 due to the pandemic, three course phases and a summer holiday programme were able to take place again in 2021. Most courses were offered online.

In light of the coronavirus pandemic, the REWE Group organised various online seminars for its employees in 2021 in cooperation with B-A-D Gesundheitsvorsorge und Sicherheitstechnik GmbH. The subjects included dealing with insecurity and fears, addiction, resilience for managers, skin screening as well as sleep and mindfulness (for more information, see section [Other Examples of the Health-Promotion Programmes Offered by the REWE Group in the Financial Year](#)). A new general works agreement was concluded in 2021 with regard to support for people suffering from addiction.

At the store level and in logistics, as in the previous year, the focus was on ergonomics at the workplace, as repetitive movements and incorrect lifting, carrying and standing often cause pain and days lost. For this reason, the company provides ergonomics training on proper lifting and carrying and on the correct ergonomic adjustment and design of workplaces, as well as, for example, campaign days on the topic of back health.

In addition, the sales lines offer a variety of preventive services at the regional level, such as consultation hours for personal counselling at all administration sites, psychosocial telephone counselling in all regions, as well as health days, fitness checks, cancer check-ups (skin screening), flu vaccinations, dietary and non-smoking courses, massages at the workplace, individual courses and workshops or online coaching courses in cooperation with DAK Gesundheit.

At the beginning of 2021, the REWE Group ran campaign weeks on the topic of a healthy diet. The online platform "Gemeinsam.topfit" featured content on healthy cooking, mindful eating, nutrition trends and sustainability. 112 employees took part in nutrition consultations and 450 in the prize draw. A brochure was also available, as well as measures, seminars and workshops in a digital health management toolbox, which the regions could access and realise as they wished – supported by the Health & Innovation CoE.

The health-promotion programme at the toom Baumarkt DIY stores is organised on a decentralised basis. It includes seminars on the topic of healthy management and a Health Olympics event in individual DIY stores. In addition, addiction counselling with trained counsellors is available in all regions.

At the REWE Group in Austria, the activities for employees and managers are divided into the aspects of ergonomics at the workplace, diet, psyche/relaxation, sports/exercise, preventive care and more flexible working hours. For example, the programme includes individual fitness classes or lectures to strengthen health awareness. Another focus is on sensitising employees to physical and mental health factors. At the store level, preventive check-ups and screenings are promoted through paid time off work for the duration of the check-up. In addition, the REWE Group in Austria offers training on proper lifting and carrying as well as ergonomic footwear.

Getting and staying fit with the “Gemeinsam.topfit” online platform and app

Since 2019, the REWE Group has been helping its employees to live a healthy lifestyle by means of an online platform, an app, print material, an e-learning course and a film: the “Gemeinsam.topfit” programme gives employees access to various offers ranging from stress management to nutrition tips. Besides video and audio courses, recipes and other content, there is a Job.Fit module that provides employees with valuable tips for their daily work and physical activities such as lifting and carrying heavy goods, stocking shelves or sitting at the checkout. During the financial year, the app was redesigned and enhanced with new features such as a dashboard and a status screen for appointments and challenges. Courses, appointments with company doctors and vaccinations can now also be booked directly via the app. Because of the coronavirus pandemic, home exercise sessions have also been made available. More than 70,000 employees in Germany (REWE, PENNY, toom Baumarkt, DER Touristik, Lekkerland) have registered for the “Gemeinsam.topfit” app (as of January 2022), 60 per cent of whom are regular users.

Other examples of the health-promotion programmes offered by the REWE Group in the financial year:

- All regions offered flu vaccinations as well as relevant consultations at the administration and logistics sites. Where vaccinations could not be administered (especially in the stores), employees received time credits for the vaccinations they got.
- The “You are important” initiative was continued for all employees throughout Germany. Employees were credited one hour for participating in cancer screenings.
- All employees of the REWE Group were able to take part in a virtual running event as a substitute for various traditional runs.
- In the REWE Region South, health days and a variety of seminars were organised, including topics such as “Dealing with Difficult Customers”, “Healthy and Efficient During the Pandemic”, “Healthy Leadership from Home”, “Customers Suffering from Addiction or Dementia in Retail” and “De-escalation when Speaking with Customers”.
- The REWE Region Southwest offered ergonomic advice at the workplace, skin screenings, medical checks and flu vaccinations. In addition, employees had the chance to take part in online seminars on dealing with fears and worries.
- REWE West offered online workshops on “Resilience for Managers” and “Life Balance when Working from Home”, as well as ergonomic advice and active breaks. In addition, employees were able to undergo a skin cancer screening and an intraocular pressure measurement.
- Employees of the REWE Region Central were able to take part in online lectures on subjects such as “Fit at Home”, “Self-organisation and Mobile Working” and “Leading Virtual Teams” as well as webinars on sleep and mindfulness. There was also a seminar on getting a healthy night’s sleep despite times of crisis.

- Employees at REWE North were given the opportunity to participate in a skin cancer screening and in lectures on mental health.
- The REWE Region East offered stress counselling sessions.
- JobRad – an offer to purchase a company bicycle under a deferred compensation model – has been used by REWE Group employees more than 8,000 times since the end of 2016.
- In 2021, the REWE sales line introduced a trainee health day called “Fit on the Job”. Held in the first year of training, it aims to promote health awareness among trainees at an early stage and with lasting effect. Topics include healthy eating habits, exercise and ergonomics, addiction and mental health.
- Experts and doctors regularly give health tips for employees on PENNY LIVE (radio in the stores) before the stores open. The topic of health is also discussed by the in-store radio offered by BILLA, BILLA PLUS and PENNY in Austria:

Measures offered by the REWE Group in Austria include the management academy, which is mandatory throughout the group, with one module focusing on “healthy management” and the BILLA Burnout Prevention Curriculum. In addition, individual coaching for managers and occupational psychology coaching for employees are also available. For its high level of commitment in the area of health promotion, the REWE Group in Austria has already received the “company health promotion” seal of approval a number of times.

Ten years of “LoS! – Life Phase-Oriented Self-Help Skills”

Back in 2011, the REWE Group launched a project called “LoS! – Life Phase-Oriented Self-Help Skills”. The project focuses on dealing with stress and psychological strain in the interest of preventive health care, as both can have serious effects on the employability, motivation and work performance of employees. An important part of the project are the “LoS! multipliers”: these employees – of which there are now 216 – are trained as first-line counsellors for their colleagues and act as contact persons in critical phases of their lives. In 2021, the tenth anniversary of the project was celebrated with the LoS! anniversary days, during which the multipliers were able to attend lectures on conversation skills, self-care and mental health over the course of one week. The company regularly develops new aids to support them in their voluntary work – in the financial year, for example, in relation to the topics of LGBTIQ and stillborn babies.

Easing employees back into work: Company integration management

Company integration management assists employees who return to work after long health-related absences. It focuses on legal regulations and takes account of company conditions like location and employee structures. A new general works agreement on company integration management was concluded in 2021. Company integration management (part-time reintegration) was introduced in Austrian law in 2017.



GRI 404

Training and Education

The labour market is currently in a state of constant change: Digitalisation is altering the work world, and the demographic shift has created a shortage of skilled workers. Promoting training and education is therefore a particularly relevant issue for companies, since it allows them to build up missing knowledge, qualify their employees accordingly, meet new challenges such as digitalisation and thereby position themselves for the future.

All of the education and training programmes at the REWE Group take place within the framework of the “Training and Development” area of action – which is part of the Employees pillar in the REWE Group’s Sustainability Strategy. The company’s goal in this context is to position itself as an attractive employer in order to attract talent to the company. As many skilled workers and managers as possible are to be recruited internally so that qualified and motivated employees can be tied to the company in the long term.

GRI 404: Training and education

Management approach

Principles

The REWE Group offers all employees and managers a comprehensive internal education and training programme that is geared towards the development of both personal and professional skills.

The topic of sustainability plays a role here too because trainees, employees and managers at the REWE Group gain insights into general and specific sustainability aspects within the framework of training courses and projects.

Responsibility

The responsibility for training and education lies with the HR department of the respective sales line.

Implementation

In principle, further education programmes are developed specifically for each sales line in order to meet varying requirements and at the same time take account of the individual needs of the employees. In addition, there are some human resources development programmes and further education courses that are offered to employees and

managers from all sales lines. This helps to promote group-wide networking and gives participants an insight into other sales lines.

The REWE Group offers about 25 different training options, in such areas as retail or wholesale, foreign trade, food production, IT, logistics and tourism. REWE Markt GmbH offers trainees who perform well a guaranteed job after they have completed their training. In total, the REWE Group has 9,345 trainees in Germany and Austria (scope of the sustainability report).

Objectives

One objective is to increase the share of internal appointments to management positions to 80.0 per cent by 2025. In the financial year, the rate stood at 75.1 per cent (2020: 72.4 per cent).

The REWE Group also intends to increase the training percentage or, at the least, to maintain it at the level of 5.4 per cent. At 5.6 per cent, the percentage of trainees in the workforce was above the target of 5.4 per cent in the financial year.

Goals	2019	2020	2021	Status
Increase the level of internally staffed management positions to 80.0% by 2025	74.4%	72.1%	75.1%	↻
Keep the trainee ratio (trainees as a percentage of the total workforce in full-time equivalents) at 5.4 % until 2025	5.3%	5.3%	5.6%	✓

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

Measures and projects in the areas of training and study

The REWE Group implements a variety of measures and projects aimed at providing additional support in the context of training and studies. Especially in sales, the REWE Group’s individual sales lines attach great importance to retaining employees after they have completed their training and to providing them with further training and support through targeted programmes. Depending on the sales line, it takes between two and three years to prepare for a management position in a store.

Providing targeted support for trainees – Also digitally during the pandemic

In light of the coronavirus pandemic, digital learning concepts have gained considerable importance in 2020 and 2021. For example, the REWE Group made a lot of additional learning content available online and conducted virtual training sessions.

REWE Markt GmbH, as part of the “Trainee Strategy” project, revised its seminar and training structure for the start of the 2021 training year and added new virtual and classroom seminars. It also incorporated the concept of blended learning, in which both variants can be combined to complement each other. In addition, the company training plan was digitalised: The trainees’ deployment structure in the stores was aligned with the new seminar structure so that they can immediately apply everything they have learned in practice. To compensate for seminar cancellations due to the pandemic, various target group-specific interim concepts were developed for trainees of all apprenticeship years. Besides digital learning modules, these concepts also include online training and practical transfer tasks. Some 75 per cent of the classroom seminars within the training programme were digitalised.

In 2021, trainees at REWE were again able to prepare for their exams or acquire merchandise knowledge at any location using the learning app “Frisches Wissen” (fresh knowledge), which was last updated in 2020. Different formats such as quizzes, flashcards and a glossary offer a varied learning experience.

Regional projects

REWE runs special trainee development projects in the individual regions, which are also designed to showcase the diversity of the training. A selection is presented below:

Trainee project: Fair Supermarket Train

To help trainees gain independence and practical experience, the REWE Region Central opened a “Fair Supermarket Train” together with Fairtrade Germany at the end of 2021: The supermarket aboard a special train carried around 3,000 products across three carriages and called at six stations, where it opened for business for two days each. At each station, the store was run by a different team of 30 trainees from the respective sales area, who also operated the on-board bistro. The project not only highlighted the topics of regionality and sustainability, but also showed the outside world how diverse REWE’s training programme is. Moreover, the participating trainees were able to experience and manage all the processes of a new opening.

At **PENNY**, trainees can prepare for their final exams with Prozubi, an online learning platform for trainees in commercial professions. The quiz questions are based on the examination questions of the German Chamber of Industry and Commerce. In 2021, PENNY updated its training programmes to include topics such as sustainability (see section [Sustainability in Training](#)) and introduced the PENNY learning app. There was also a pilot project on using tablets for remote training and meetings, which was successfully completed. The rollout took place in January 2022. Trainees who are looking to become office managers and those who hold secondary school diplomas receive digital soft skills training on topics such as online etiquette or time management at PENNY.

As part of **REWE International AG’s** Career Forge, trainees in Austria are also offered a learning app. The app supplements training opportunities and exam preparation with special events and current content.

A new element introduced in 2021 as a fixed component of apprenticeship training in Austria are one- or two-day personal development seminars for trainees, where they can expect a different thematic focus during each year of their training. The first year focuses on self-motivation and learning techniques, the second year on tips for communication and sales professionals, and the third year on time and conflict management.

The best training for trainers

In January 2021, BILLA launched “Apprenticeship Training Full of Life”, a project for training companies that is funded by two Ministries of Austrian. Its goal is to break down gender stereotypes in dual education. Additionally, it aims to qualify and promote apprenticeship trainers, who are the basis for high-quality apprenticeship training. After an extensive analysis phase in 2021, the training of apprenticeship trainers was redesigned and the certified course was expanded by three additional modules. There are also two additional e-learning courses on “Sexual harassment at the workplace” and “Equal treatment instead of discrimination”. The project runs until June 2022.

At **DER Touristik**, learning mentors support the training. Because they were partly on short-time work due to the coronavirus pandemic, additional digital learning formats were created to compensate for cancelled internal training classes. 2021 also saw the development of a digital training plan for all apprenticeship years in the travel agency sector. Between one and three training classes a week were generally held in the financial year.

At the **Lekkerland** sales line, trainees and dual studies students at the corporate headquarters benefit from a Web-based training series called JUMP.

Due to the coronavirus pandemic, JUMP took place virtually in 2021.

Attracting trainees

Since 2012, trainee marketing – an area that is becoming increasingly important and fast-moving – has been handled entirely by the individual sales lines. This allows them to recruit in a targeted manner to meet their demand for skilled workers.

REWE Markt GmbH's training campaigns are primarily conducted in the social networks Instagram, YouTube and Facebook. Ads are posted both on the company's own career channels and on target group-specific training websites. This is sometimes complemented by radio and print campaigns, school cooperations, applicant training, articles in career magazines or participation in trade fairs. Advertising efforts are intensified twice a year – when apprenticeship places are first publicised and when the target group enters the application phase.

In July 2021, REWE Karriere opened another social media channel on the TikTok platform in order to have a presence where the target group is active. In addition, it launched a campaign called “Get into the game – as a trainee at REWE”, which is designed to appeal to gamers. In three high-quality short films on a specially created landing page,

the work of young trainees is transformed into a kind of computer game in which they have to master all kinds of challenges. The high-budget media campaign was supported by gaming influencers who are well-known to the target group. In addition, the REWE careers website was revamped and brought into line with the changed user behaviour of the target group – 75 per cent of page hits are made via mobile devices. Various new modules provide interested parties and job applicants with more transparency about available career paths and training occupations.

PENNY too runs online campaigns on Facebook and Spotify Ads, as well as job adverts on Instagram. In 2021, it also launched the multimedia employer campaign “You can be anything but irrelevant”. The idea being conveyed here is that at PENNY, every employee counts. One focal point was the target group of trainees.

DER Touristik continued its “DER sucht Dich” (DER wants you) campaign on Instagram. Additionally, trainees support the recruitment of new trainees in their role as training ambassadors.

At **Lekkerland**, the campaign has focused on logistics since 2020, with mailshots being sent to schools and youth centres, for example. The company also advertises its training positions online on various student portals.

The sales lines in Austria also favour social media channels in order to optimally reach trainees. During the financial year, **BILLA** launched recruitment campaigns on Instagram, Snapchat and TikTok.

Sustainability in training

The REWE Group integrates the topic of sustainability into face-to-face training for trainees. The trainees in all sales lines manage small projects independently, carrying full responsibility for them.

- REWE trainees in the area of wholesale and foreign trade (administration) each spend 40 hours working in charity facilities.
- The trainees at the REWE Group headquarters carry out compulsory sustainability projects in their first year of training.
- All trainees at PENNY receive annual training on the topic of sustainability.

During the financial year, many of the projects had to be cancelled or postponed due to the coronavirus pandemic.

Promoting young talent with the REWE Group Star

The group-wide competition REWE Group Star is intended to motivate trainees and junior staff to live sustainability – and thus strengthen the spirit of sustainability within the company. The employees work in teams to identify sustainability issues that they want to promote. They then plan concrete projects and implement them on their own responsibility. In 2021, 41 teams submitted their projects (2020: 7). On account of the coronavirus, the winners were recognised at a digital awards ceremony. First place went to the “Nordlichter” project submitted by five trainees from the toom Baumarkt sales line in the Hamburg region. They sold bread bags they had personally sewn from old clothes, with the proceeds benefiting one of their colleagues.

Supporting scholarship holders

In 2021, the REWE Group continuously supported 17 beneficiaries through the Germanystipendium scholarship programme. Selected economics students from the University of Cologne and TH Köln – University of Applied Sciences receive financial aid. Through this as well as through excursions to production sites and warehouse locations and regular mentoring meetings, the scholarship holders get to know the REWE Group as an attractive company for a potential career start.

Study with the REWE Group

In addition to traditional trainee occupations, the REWE Group gives people an opportunity to take part in dual studies programmes or programs for working professionals, together with such institutions as the European University of Applied Sciences (EUFH) in Brühl, the Baden-Wuerttemberg Cooperative State University (DHBW) in Mannheim, Ravensburg and seven other locations or the Berlin School of Economics and Law (HWR). The degree programmes cover the fields of retail, tourism and event management as well as business informatics. A total of 183 students were enrolled in the reporting period (2020: 242).

In addition, the REWE Group offers employees with a Bachelor’s degree a tailor-made part-time Master’s programme leading to the degree “M.A. International Retail Management” in cooperation with the ESB Business School at Reutlingen University. The degree provides key qualifications in national and international retail management. Students are released from work during the face-to-face phases of the degree. The majority of the costs are borne by the REWE Group, with the participants also making a financial contribution. In October 2021, ten employees from the various national and international sales lines began the degree. Twelve employees completed their studies in the financial year. Most of the classroom events originally planned for the students took place virtually.

Trainee programmes as entry opportunities for university graduates

The trainee programmes at the REWE Group offer university graduates from various disciplines an interesting and varied start to their careers. During the 18- to 24-month programmes, they are mainly deployed in their respective area of specialisation. In addition, they also spend time working in relevant interface areas, including abroad. During the reporting period, 27 university graduates began their on-the-job training (2020: 28). In Austria, seven trainees

took part in the management trainee programme and in specific trainee programmes, for example in the products or IT departments, during the financial year (2020: nine).

In 2016, a retailer trainee programme was launched, which consists of a 24-month training phase followed by a 12-month assignment as a store manager. The programme is aimed at university graduates who have a strong interest in retail and wish to become self-employed. The goal is for them to become self-employed as REWE independent retailers. Besides the main focus on assignments in various stores, the training also includes work in the field service of the respective regional headquarters and at the company headquarters in Cologne. Five trainees began their training in 2021 (2020: four), with more scheduled to start in 2022.

In 2021, **BILLA** relaunched the sales field service training programme for fresh produce managers and sales managers. There are currently seven trainees on the 13-month programme, who receive coaching and are mentored by experienced colleagues. This allows them to network with each other and with managers who have more experience. In addition, there are networking opportunities within the framework of projects such as “Lernen macht Schule”, an initiative by Caritas in cooperation with the Vienna University of Economics and Business under the motto “Culture and Diversity Competence”.

GRI 404-2:

Programmes to improve the skills of employees

The REWE Group uses various concepts and programmes to specifically promote the training and education of its employees.

Human resources development programmes

Each sales line offers target group-specific programmes designed to promote systematic human resources development. These programmes provide sales, logistics and administration staff with important skills for their respective areas of activity, preparing them for more advanced tasks or for the role as a manager in a store, in sales or at headquarters.

In 2019, **REWE Markt GmbH** developed a new further education environment, the REWE Academy for Managers. Because of the pandemic, only 30 per cent of the sales and logistics training classes in 2021 took place in a face-to-face setting and under strict hygiene regulations. The remaining 70 per cent were held virtually in order to give all prospective managers the support and development opportunities they needed, even during the coronavirus pandemic. Since the financial year under review, skilled workers in the service as well as fruit and vegetable fields have also had access to an academy. This specialised further training of employees in the form of four-stage programmes is the basis for staffing sales positions internally and giving employees development prospects. It also helps REWE to actively address the shortage of skilled workers. The academies are supplemented by region-specific offers.

At **REWE Markt**, tomorrow's retailers are accompanied on their way to self-employment with Junior Campus training courses.

At **REWE**, the **REWE Group headquarters** and **PENNY**, trainers have the opportunity to participate in the "Train the trainer" program of the Chamber of Industry and Commerce (IHK) as well as in regular trainer workshops.

PENNY additionally promotes the development of new and aspiring store managers at the store level: The DISCOUNT executive development programme prepares them for this position both professionally and personally. Aspiring district managers are trained in the entry-level programme. Logistics managers are also instructed in a logistics programme (FEL).

Lekkerland promotes the development of functional managers in logistics through its Team Manager Programme and prepares prospective functional managers for their tasks in the High Potentials Programme. New line managers are promoted through the First Leadership Programme.

In 2020, **toom Baumarkt** launched a new personal development programme for its employees. Many seminars took place digitally in the financial year under review.

Human resources development programmes for managers across various sales lines

Senior managers are offered programmes that focus not only on qualification but also on networking and international exchange. These programmes are conducted with participants from all sales lines.

Since 2018, middle managers across the group have access to special training courses and the "Future Journey" programme. Members of this important target group thus receive both programme-based and individual training that prepares them for future challenges in their professional lives with regard to innovation and leadership and helps them to network more closely with others. Around 105 participants have completed the programme so far.

At the Management Academy, managers gain further professional skills and are prepared for tasks in top management. Among the main focal points here are the topics of leadership, self-reflection and strategic alignment. Sustainability is also an important cornerstone – both in terms of questioning and discussing one's own attitude and in practical terms during excursions. Due to the coronavirus pandemic, the programmes were largely conducted digitally.

Further training and development

All employees of the REWE Group have access to a wide range of seminars, which are centrally managed via a learning centre at the Cologne location. The learning catalogue contains more than 150 training courses that can be booked in the Learning Management System. In addition, there are separate seminars for all regions and for sales. Additional subject-specific academies for the Human Resources, Real Estate, Accounting, Products and IT departments round off the range of qualifications on offer. Seminars are continuously adapted to the needs of the relevant target group. Due to the pandemic, the seminars during the financial year were held almost exclusively online; classroom training was conducted under the applicable hygiene regulations.

Since November 2021, the DNABLE Academy has offered almost 60 digital learning options on the new working world for all target groups – covering topics such as remote leadership, virtual collaboration or use of digital tools. Since spring 2022, the training courses have been conducted both face-to-face and using the blended learning or live-online formats. The live-online seminars received very positive feedback in the course of the pandemic.

Onboarding

Familiarising new employees with the company is also an important item on the agenda of all sales lines. The majority of them are provided with onboarding and/or check-in days, mentoring by colleagues and additional induction plans. Moreover, relevant e-learning courses on subjects such as data protection, security awareness, compliance, antitrust law or occupational health and safety are assigned to them in the learning management system when they start.

In 2021, **REWE's** welcome website was expanded to cover the employees of independent retailers. Here, new employees can find detailed information about their employer from the moment they sign their contract.

Since 2019, **BILLA** in Austria has had 24 training stores where new employees are familiarised with the checkout, delicatessen and fruit and vegetable areas. They are also provided with a welcome folder on the intranet. Furthermore, BILLA holds a welcome day for new employees several times a year, where it introduces the different departments. In 2020 and 2021, this format was implemented virtually. BILLA and BILLA PLUS also used digital methods for the onboarding of trainees due to the coronavirus pandemic.

BIPA introduced two new onboarding formats in 2021: #wissenswert for store employees and “Virtual Starter” for trainees as on-the-job training. The content of both formats is adapted to the respective target group.

Targeted further education for managers

In addition to a wide range of further education opportunities for all REWE Group employees, the company offers special further education programmes for middle managers and senior executives (see also section [Human Resources Development Programmes](#)).

The middle management seminars aim to strengthen managers in their role, prepare them for tomorrow's challenges and promote international networking. They cover the topics of leadership, entrepreneurship and personal development. Due to the coronavirus pandemic, many of these formats were implemented in virtual form in the financial year.

The ambitious internal further education programme myCampus provides needs-based knowledge and cross-company networking for the senior management levels. The programme comprises classroom training, lectures and coaching to foster skills development. A lot of this was also implemented virtually in 2021.

Digital learning

As with trainees (see section [Providing Targeted Support for Trainees – Also Digitally during the Pandemic](#)), the REWE Group is increasingly relying on digital learning and blended learning concepts to strengthen the skills of its employees – as an efficient method of reaching all members of staff and offering them the opportunity to learn from

home. In light of the coronavirus pandemic, Microsoft Teams was implemented as a new collaboration platform in 2020. Since then, it has been used to run the live online seminars. In summer 2021, REWE and PENNY stores began to be equipped with tablets to make it even easier for sales staff to participate in virtual meetings and training classes.

The training portfolio includes around 190 e-learning modules, digital nuggets (training units of less than five minutes) and mini training courses throughout the company. Some of these cover legally required content, such as hygiene, infection control or occupational safety. The portfolio also includes voluntary courses for employees, for example on career and succession planning. The aim of e-learning is to impart practically relevant knowledge, often in a playful way. The engaging and interactive training units serve to support and educate employees through an intuitive learning format.

REWE and PENNY, the central departments in Cologne and the regions, as well as other sales lines have a cloud-based IT platform containing the “Learning” module. There are separate e-learning platforms for toom Baumarkt DIY stores, DER Touristik, Lekkerland and for Austria.

Overview of participants in online and classroom training courses 2021

	Completed online courses	Completed classroom training courses (partly digital due to the coronavirus)
Germany		
REWE ¹	972,153	60,624
PENNY	241,798	9,130
toom Baumarkt ²	1,907	1,395
Retail Germany HQ, production operations ³ , REWE Digital and small sales lines	57,187	7,848
Lekkerland	6,800	1,385
Austria		
All sales lines	309,610	7,075 (training days)

¹ Including PETZ REWE and REWE To Go.

² There were no further education courses in the 1st half of the year during short-time work.

³ Glocken Bäckerei and quality butcher Wilhelm Brandenburg

Sustainability training

All procurement staff at **REWE Far East** and in the **non-food** sector are briefed on relevant sustainability topics. This includes training on the Code of Conduct of the amfori Business Social Compliance Initiative (amfori BSCI), on raw materials such as fish, palm oil and soy – topics for which the REWE Group has drawn up guidelines – and on special topics of concern to the REWE Group, such as avoiding environmentally harmful chemicals.

All employees at the central locations as well as at **REWE** and **PENNY** stores have the opportunity to explore the topic of sustainability via a continuously updated e-learning tool. In addition, the topic of sustainability is integrated into the training courses for trainees at PENNY and the company headquarters.

At the **REWE Group in Austria**, all new employees of the central departments as well as all trainees are instructed on sustainability topics at regular intervals. Managers can also find out about current trends and developments through a variety of event formats.

GRI 404-3:

Employees receiving regular performance and career development

Systematic career and succession planning (CSP) is a key part of the REWE Group's company-wide talent management. The aim is to foster the development of skilled workers and managers from within the company's own ranks: High achievers and staff members with strong potential are to be identified at an early stage and tied to the company in the long term. To this end, the sales lines and headquarters conduct regular performance and potential appraisals, potential conferences and individual development meetings. REWE, PENNY, toom Baumarkt DIY stores, the various headquarters and some smaller sales lines are all connected to the same platform. At DER Touristik and the REWE Group in Austria, the appraisal process is not yet carried out digitally.

Each sales line and the company headquarters start the CSP process with a review of the tasks in the job description. Managers assess the performance of their employees on the basis of task fulfilment and skills from the REWE Group skills model. These appraisals and the employees' self-assessments are then discussed by the management team during what is referred to as a potential conference. At these conferences, managers of a particular hierarchical level or within a division or department talk about the employees directly assigned to them. The aim is to develop joint standards for judging performance and potential, to set up targeted and effective development planning and to create the basis for systematic succession planning. Potential conferences for senior management and the management levels immediately below take place annually, while potential conferences for the other management or staff levels are held every two years. In annual strategic portfolio meetings, HR partners discuss the potential and development prospects of individual employees with their superiors.

The subsequent annual development interviews between direct superiors and their employees ensure that feedback on task fulfilment, aspects of cooperation and questions regarding further personal and professional development are discussed, documented and pursued in a targeted manner.

In 2021, the CSP process was conducted for 31,188 employees and managers at the various headquarters as well as for managers in sales and logistics at PENNY, REWE and toom Baumarkt (2020: 31,330); in Austria, around 3,000 employees and managers received feedback (2020: 2.650). At REWE Markt GmbH, the development interview extends to all 78,000 sales staff and is also documented in the system.

The digital platform to which REWE, PENNY, toom Baumarkt, the various headquarters and a number of smaller sales lines are connected brings the topic of integrated talent management into focus. In addition, it interlinks the recruiting, learning and talent management processes with each other – with the aim of simplifying talent recruitment, internal staffing and employee development.



GRI 405

Diversity and Equal Opportunity

The demographic shift, globalisation, a process of individualisation and a fundamental shift in values are creating an increasingly diverse society. Diversity produces added value for companies in particular – collaboration fuels ingenuity and adaptability. For this reason, equal opportunity at the company is needed more than ever before. The promotion of diversity in the company is now a critical factor in its business success.

Diversity and equal opportunity are one area of action in the pillar called Employees that is part of the Sustainability Strategy of the REWE Group. The REWE Group's activities in this area of action are designed to maintain the company's adaptability and foster fair interaction among employees.

GRI 405: Diversity and equal opportunity

Management approach

Principles

For many years now, people from around 150 countries have been working harmoniously and respectfully with one another at the REWE Group. The REWE Group would be unable to remain in business without the many thousands of employees who come from such a wide range of cultures. By bringing diversity to life, the company improves its ability to adapt to changing market conditions and bolster its competitiveness in the race to recruit qualified skilled employees. With this in mind, the REWE Group focuses its personnel management activities on fostering a diverse employee structure and on maintaining a discrimination-free workplace for employees irrespective of their gender, age, religion, sexual identity, origin or disability. At the same time, the company takes steps to ensure that it provides an equal opportunity to all employees. One of the ways it does so is to offer the same pay to all genders. ✓

The commitment to the discrimination-free formulation of company human resources policies is a fundamental part of the Guidelines on Sustainable Business Practices at the REWE Group. It is also a fundamental component of the Code of Conduct that applies to all employees and managers. Additionally, at the beginning of 2017, the REWE Group became a signatory to the Diversity Charter, a voluntary commitment by the German business community to diversity management. ✓

Responsibility

The issue of diversity and equal opportunity is **overseen** by the HR and sustainability departments of the company's sales lines. It is included in some of the behavioural anchors contained in the REWE Group's expertise model for managers in these departments. It is part of their performance reviews as a result. The expertise model serves as a basis for evaluating employee performance in all sales lines. Incentive systems are used as part of this effort as well.



Implementation

In its work to foster diversity and equal opportunity, the REWE Group drew on the Diversity Charter in 2021 and defined the following five diversity issues as focal points of the area of action: ✓

- Gender and gender identity: The REWE Group promotes gender equality as part of the assignment of areas of responsibility and the acceptance of all gender identities. It endeavours to achieve a balanced gender ratio in all management positions (see section Diversity of Governance Bodies and Employees).
- Social-cultural background (combines the areas of ethnic origin, religion, ideology and social background): No discrimination based on religion or language, cultural and/or social background should ever occur at the REWE Group.
- Sexual orientation: The group of companies fosters an open corporate culture for all sexual identities and orientations.
- Generations: The company provides opportunities and (working) conditions as well as support and advisory programmes for all phases of life.
- Physical and mental capabilities: The REWE Group offers all of the support needed to assist employees who have limited capabilities. ✓

The sales lines in Retail Germany have developed a work-group structure to address questions related to this issue: The Diversity Network was set up during the financial year under the motto of "Vielfalt.Gemeinsam.Leben" (Jointly.Living.Diversity.). The network is composed of employees from a range of different departments and sales lines who serve as diversity ambassadors and promote the issue in the sales lines and departments. Working with Corporate Communications, they talk about company-wide issues like gender-neutral language and unconscious bias and raise employees' awareness levels about them. ✓

All diversity and equal-opportunity programmes that the REWE Group implements are developed and coordinated each year as part of the company's HR and sustainability strategy and its annual target planning. Implementation is reviewed and modified where necessary during the annual target planning. The management approach was confirmed during the financial year. No adjustments were made. ✓

Each sales line has a contact partner to whom employees can turn in cases of discrimination. These advisers are found in compliance departments, the Works Council and the di.to network (different together; see the section Different together: The LGBTIQ network is growing in spite of the pandemic). Employees can also turn to managers,

the chairman and the HR department. Information about discrimination will be systematically investigated. Each case will be handled confidentially. A face-to-face meeting will be held with affected individuals, and the Works Council will be brought in. REWE Group Germany has set up a network of regional contact partners to whom employees can turn in cases of discrimination. No standardised complaint mechanism like the one in REWE Group Austria has been created. ✓

Best practice diversity management according to the German Retail Association

In 2022, the German Retail Association, the auditing and consulting firm PwC Germany and Google Germany prepared a study titled “Diversity, Equity & Inclusion – How Mature is the Retail Industry?” The study identified the REWE Group with its Diversity Network as a best-practice example for retailers. It noted that the group of companies has taken a holistic approach to the issue, is actively promoting it on its highest managerial level and is networking employees in order to foster dialogue and an understanding for one another.

Policies and projects to promote diversity and equal opportunity

The REWE Group is actively carrying out a range of projects and implementing various policies to encourage diversity and equal opportunity at the company. ✓

Inclusion

The **REWE Group Germany** is working to ensure that all employees have an equal opportunity. The 7,899 people with disabilities and people at risk of disability at the company (as of 2021, Scope Sustainability Report) can turn to the REWE Group’s representative for the disabled and inclusion officers at any time. The representative for the disabled helps individuals to prepare applications for the German Office for Social Services, rejoin the work world following a long absence due to illness and find answers to all other legal questions. The representative also helps the employer with inclusion of new employees. To enable individuals with disabilities to work in administrative positions and in its stores, the REWE Group offers barrier-free workplaces – for example, in the form of checkout stations for employees in wheelchairs. ✓

Small aides like magnifying glasses and signals as well as the opportunity to use a seeing-eye dog in stores have been provided by some retailers in their stores. In Germany, the websites of the REWE Group and the career pages of PENNY and REWE can be used in accordance with barrier-freedom standards. ✓

Since 2017, the REWE Group has been part of a strategic partnership with Aktion Mensch, a German charity that assists people with disabilities. As part of the partnership, a range of inclusion projects and programmes to assist children and young people is being jointly carried out. During the financial year, a day-care and school inclusion assistance service was created, and its equipping, including playgrounds, was supported (see segment [Social](#)

Commitment – Projects and Sponsorships). ✓

The **REWE** and **PENNY** sales lines participated in the talent programme of myAbility during the financial year. Students who suffer from chronic illnesses or have disabilities, the myAbility talents, are coached in the areas of career planning and soft skills for an entire semester. They also make connections to companies as potential employees and are given an opportunity to take part in job shadowing – that is they accompany an employee at work – and trial internships. Such activities foster an open approach to disabilities in the company. Preparations for the programme began in autumn 2021. The application phase was extended to March 2022 due to the low number of applications submitted by students as a result of the pandemic. The trial internships are being provided between June and August 2022. ✓

toom Baumarkt DIY stores have also made respectful and responsible interaction among employees a permanent part of their corporate culture. toom Baumarkt DIY stores have been working with the Bundesvereinigung Lebenshilfe e. V., a German association that assists individuals with disabilities, since 2014. The focal points of this work include active diversity and respectful interaction among people with and without disabilities. These goals are achieved during joint projects conducted as part of local partnerships, practicums and Lebenshilfe workshops that are set up in toom stores. A total of 21 workshop jobs were filled in 2021 (see the segment Social Commitment – Projects and Sponsorships). ✓

REWE Group Austria employs a holistic concept to the issue of disabilities. Its vision is: “We think barrier free, and we give our employees and partners the same opportunity.” One aim of this programme is to increase the number of employees with disabilities who work at the company. The effort has led to the hiring of deaf employees in stores and of individuals with autism in headquarters units. Barrier freedom has also been added to the websites of REWE Group Austria. As a result of this commitment, the job portal of the BILLA sales line in Austria was recognised as barrier free by the Web Accessibility Certificate Austria (WACA) in 2020. The first independent certificate in Austria affirms the accessibility of all people to professionally evaluated websites. ✓

REWE Group Austria reviewed its disability strategy in 2020 and reworked it for the period of 2020 to 2025. It also introduced a programme called Diversity to go in 2019 and created an app that informs employees about it. In one other aspect of this programme, the company prepared short videos with experts who discussed such topics as discrimination, feminism and gender identity. In 2021, REWE Group Austria joined forces with the Centre for Dementia Studies at the University of Continuing Education Krems to raise employee awareness levels about this condition as well. As part of the effort, employees who work in stores operated by BILLA, BILLA PLUS, BIPA and PENNY learned how they can help customers who suffer from dementia to do their shopping. The course was based on a training video that the company produced itself. ✓

BIPA stores and the company's headquarters also intensified their use of disability recruiting to attract individuals with disabilities to the company. In 2021, the job profile “employee for supporting activities” was introduced in stores for applicants with disabilities. Managers in BIPA's health and beauty stores also learned more about this issue on an internal online dialogue forum and during a presentation made by Specialisterne, a Danish company that supports the autistic and helps them to find jobs. BIPA also participated in the Purple Light Up Day, the international day for

people with disabilities, in December 2021. To celebrate the occasion, a purple BIPA logo was displayed on the company's social media channels, and two of its stores in Vienna were bathed in purple light. ✓

A number of **BILLA stores** have also done their part to facilitate barrier freedom under the motto of BILLA Without Borders. Changes introduced as part of this effort include wheelchair-accessible scales for fruit and vegetables, a baked goods dispenser whose height has been adapted for use by wheelchair users and extra-wide checkout lanes. ✓

The BILLA sales line now employs colleagues with a number of different disabilities including learning difficulties and chronic illnesses in its headquarters, stores, online shop and logistics operation. The sales line also actively recruits people with disabilities in its job ads. BILLA is currently training 220 inclusive individuals. ✓

Integration of refugees

The REWE Group is doing its part to help refugees to become integrated into society and the work world. As part of these efforts, young refugees have been given practicums across Germany. The acceptance of refugees into training programmes – particularly in sales and logistics – occurs following a period of intense recruitment that includes trial workdays and practicums. As a rule, refugees initially enter a six- to 12-month language and cultural orientation programme. They begin their training after completing these courses. ✓

The integration initiative called KIMAT that is being conducted by the REWE Region South helps immigrants to become better integrated into the job market and foster intercultural interaction. The project builds a bridge between the backgrounds and the future of refugees in particular. Many of them are now REWE trainees. Others are preparing for their training programmes by attending language courses, among other things. ✓

Support of refugees through a mentoring programme

The REWE Group has forged a strategic partnership with JOBLINGE, a non-profit employment organisation. The initiative supports two of the organisation's programmes in particular: JOBLINGE Klassik, which is aimed at socially disadvantaged young people, and JOBLINGE Kompass, which is designed for young refugees. The aim of both programmes is to help these individuals to qualify for the job market and to become integrated into it. Employees of REWE, DER Touristik and PENNY can serve as volunteer mentors as part of a project called "Ehrensache" (Act of Honour). Today, the company has 80 mentors and nearly 180 mentor tandems. JOBLINGE participants have explored the work world during around 700 different practicums. About 240 young people have entered training programmes or received full-time jobs. ✓

REWE Group Austria systematically recruits refugees. In addition to a large number of practicums, a range of training positions has been given to young refugees. ✓

Integration of the long-term unemployed

The REWE Group works to integrate the unemployed and long-term jobless individuals who are older than 25 in the job market. The programme called Partial Qualifications in About 58 Weeks is a certified initiative conducted by a company called the Entwicklungszentrum für berufliche Qualifizierung und Integration GmbH in Dortmund (EWZ). It prepares selected job-seekers over a period of about 58 weeks to take the examination for sales assistant, focal point service, that is administered by the German Chamber of Industry and Commerce. The participants are employees of a REWE store and are paid by the store. The store is then reimbursed by the German Employment Agency and the Job Centre until the individuals have earned their qualification. The first partial qualification programme started in December 2019 with 23 participants. Thirteen of them passed the examine in January 2021 with an average score of 2.1 (or B) and received an employment contract from a REWE store. The second partial qualification programme began in November 2021 with 13 participants. It is expected to continue until June 2023. ✓

Promotion of women

Like many companies, the REWE Group is wrestling with an imbalance between male and female managers. The REWE Group is tackling this challenge in projects being conducted as part of the initiative named Diversity in the REWE Group. The programme called Women's Drive has led to the promotion of more than 100 participating female employees to managerial positions since 2017. The programme consists of three seminars and an associated mentoring component that incorporates internal managers. It lasts six to eight months. ✓

The REWE Group has also been a partner in the Cologne-based alliance called Mit Frauen in Führung (With Women in Management) since 2016. In this network, 14 Cologne-based companies conduct a wide range of activities designed to help women to obtain managerial positions. In addition to regular discussions with network members, the REWE Group regularly takes part in a cross-mentoring programme. ✓

In 2019, the REWE Group gained its own network for women, f.ernetzt. Today, nearly 350 female managers and experts discuss such issues as leadership, new work, personal growth and work/life balance as part of this network. Virtual events that provided collegial support were also offered during the reporting year. ✓

REWE and PENNY organised workshops on the topic of Diversity in Management for female employees in all regions during the reporting year. During these workshops, proposals designed to promote gender diversity in managerial positions in sales were developed. ✓

In 2021, gender-neutral language was introduced on the company's website and in its sustainability and annual reports and internal communications. Similar changes will also be made soon on the career page and in all internal and external communication channels. ✓

To help to mark the International Day for the Elimination of Violence Against Women, REWE Group Austria added emergency hotline numbers to store receipts, the POS and employee screens. ✓

The Austria sales line BIPA received the quality seal equalitA in 2020. This seal recognises companies that promote women and their careers and encourage gender equality. ✓

Different together: The LGBTIQ network is growing in spite of the pandemic

di.to (different together) is a Germany-wide LGBTIQ network that helps all employees, regardless of their sexual orientation, to feel comfortable in their jobs at the REWE Group. Since being created in 2013, the network has attracted about 300 members and more than 1,300 followers on social media channels. The network is designed to help employees to network in the work world and promote dialogue outside their own sales lines. As part of these efforts, a national virtual network meeting has been held several times a year since 2020 to foster discussions by internal and external guests about queer, political and job issues. In addition, di.to joined the “PEPP – PROUT EMPLOYER PARTNER PROGRAMME” network in 2020. It works to create a diverse work culture. ✓

The spokespersons of the six regional di.to groups act as a steering committee that focuses on expanding the network and network meetings, among other things. It also provides support in the form of cash and non-cash donations as well as its participation in many events held by the community. With the help of its successful rainbow sticker campaign, di.to also motivated all REWE and PENNY stores, toom Baumärkte DIY stores and DER travel agencies to promote tolerance and diversity by displaying the symbol on the doors to their facilities. Acting in response to the network’s request, a large number of REWE Group stores raised more than 3,000 rainbow-coloured flags across Germany in May 2021 to mark the International Day Against Homophobia (IDAHO). This action generated a large amount of regional and national media coverage. Cologne’s Christopher Street Day parade resumed in 2021, albeit in smaller form. Nonetheless, it created a feeling of belonging between employees and the Cologne community. ✓

The PENNY sales line provided financial support for 20 mentorings to the training and empowerment network Queermentor in 2021. The digital diversity training platform helps LGBTQIA young people who are at least 16 years old to develop the mindset of “I am fine just the way I am”. The focal points of the Queermentor programmes are one-on-one mentoring sessions with experts from a range of industries, online training courses for career success, soft-skills development and strengthened mental health. ✓

GRI 405-1:

Diversity of governance bodies and employees

To foster diversity in its governance bodies and among its employees, the REWE Group has committed itself to goals regarding a balanced gender ratio and employment of individuals with disabilities that extend beyond regulatory requirements. The REWE Group has set the goal of achieving a balanced gender ratio in managerial positions (managers and top management) by 2025. ✓

Women made up 66.1 per cent of the total workforce of the REWE Group in 2021 (2020: 66.2 per cent). The share of women in top management was 9.8 per cent (2020: 10.9 per cent). About 45.7 per cent of all managers at the company are female (2020: 46.0 per cent).

Objective	2019	2020	2021	Status
Achieve a balanced gender ratio in management positions by 2025	45.4 %	45.6 %	45.3 %	↻
	female	female	female	
	54.6 %	54.4 %	54.7 %	
	male	male	male	

↻ In progress ✓ Goal attained — Not available ✗ Goal not attained

The Supervisory Board of REWE-Zentral-Aktiengesellschaft (RZAG) had 18 ordinary members (16 men and two women) on 31/12/2021. The Supervisory Board of REWE-ZENTRALFINANZ eG (RZF) had 20 ordinary members (16 men and four women) in the financial year. No women were on the Management Board in 2021. No women were members of the Management Board or the Supervisory Board of REWE International AG.

The REWE Group has set itself the goal of keeping its employment rate of individuals with disabilities by headcount* at a level of at least 3 per cent up until 2025. ✓

The REWE Group measures the employment rate for individuals with disabilities on the basis of section 2 of the German Social Welfare Code (Sozialgesetzbuch) and on the Austrian Disabled Persons Employment Act (Behinderteneinstellungsgesetz). Under these definitions, the employment rate of individuals with disabilities at the REWE Group was 3.0 per cent in 2021 (2020: 3.1 per cent).

Objective	2019	2020	2021	Status
Keep the employment rate of individuals with disabilities at a level of at least 3.0% until 2025 ¹	3.2%	3.1%	3.0%	✓

↻ In progress ✓ Goal attained – Not available ✗ Goal not attained

¹ The rate of individuals with disabilities is calculated by headcount. As a result, it has a different calculation basis than the mandatory share of employed individuals with severe disabilities under section 154 of the Social Welfare Code IX in Germany. The decision to calculate the employment rate of people with disabilities by headcount was made in order to be able to determine a uniform key figure for all countries (Germany and Austria). Individuals with disabilities are defined according to Section 2 of the German Social Welfare Code and the Austrian Disabled Persons Employment Act (BEinstG).

In Germany, no comprehensive reporting requirement applies to people with disabilities. For this reason, all employees with registered disabilities are considered in the analysis.

Share of employees by category 2021

Top executives

Women	9.8%
Men	90.2%
Diverse	0%
Not Specified	0%

Managers

Women	45.7%
Men	54.3%
Diverse	0%
Not Specified	0%

Employees

Women	66.1%
Men	33.9%
Diverse	0.0024%
Not Specified	0.00012%

Composition of employees by employee category

	Region	Employees			Managers			Top executives		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
Total headcount	Total	229,125	249,016	248,678	14,975	15,154	15,158	206	211	204
	Germany	190,309	209,644	209,163	9,771	9,999	10,107	174	179	171
	Austria	38,816	39,372	39,515	5,204	5,155	5,051	32	32	33
Women in %	Total	67.9	66.2	66.1	45.9	46.0	45.7	10.2	10.9	9.8
	Germany	66.5	64.7	64.6	35.0	35.5	36.1	9.8	10.6	9.4
	Austria	74.8	74.2	73.9	66.4	66.5	65.1	12.5	12.5	12.1
Men in %	Total	32.1	33.8	33.9	54.1	54.0	54.3	89.8	89.1	90.2
	Germany	33.5	35.3	35.4	65.0	64.5	63.9	90.2	89.4	90.6
	Austria	25.2	25.8	26.1	33.6	33.5	34.9	87.5	87.5	87.9
Diverse in %	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Germany	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Austria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not specified in %	Total	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0
	Germany	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0
	Austria	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Up to 30 years old in %	Total	30.6	31.9	30.8	13.5	12.0	11.4	-	-	0.0
	Germany	30.0	31.5	30.3	12.8	11.3	10.4	-	-	0.0
	Austria	33.6	33.9	33.6	14.6	13.5	13.4	-	-	0.0
31– 50 years old in %	Total	39.4	38.9	39.4	59.8	60.4	60.6	44.2	44.1	45.1
	Germany	38.3	37.9	38.4	60.3	61.4	62.1	43.7	43.0	45.0
	Austria	45.0	44.3	44.3	58.8	58.4	57.6	46.9	50.0	45.5
More than 50 years old in %	Total	30.0	29.2	29.8	26.8	27.6	28.0	55.8	55.9	54.9
	Germany	31.7	30.6	31.3	26.9	27.3	27.5	56.3	57.0	55.0
	Austria	21.4	21.8	22.1	26.6	28.1	28.9	53.1	50.0	54.5
Rate of individuals with disabilities by headcount*	Total	3.3	3.2	3.1	1.9	1.8	1.6	0.9	0.5	1.0
	Germany	3.6	3.5	3.3	2.2	2.0	1.8	0.6	0.6	1.1

Region	Employees			Managers			Top executives		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Austria	1.6	1.7	1.9	1.3	1.3	1.4	3.1	-	-

* The rate of individuals with disabilities is calculated by headcount. As a result, it has a different calculation basis than the mandatory share of employed individuals with severe disabilities under section 71 of the Social Welfare Code IX in Germany. The decision to calculate the employment rate of people with disabilities by headcount was made in order to be able to determine a uniform key figure for all countries (Germany and Austria). Individuals with disabilities are defined under section 2 of the German Social Welfare Code and the Austrian Disabled Persons Employment Act.

Composition of leading governance bodies

	Year	Number	Women %	Men %	Up to 30 years old %	31– 50 years old %	More than 50 years old %
Management Board	2019	4	0	100	0	25	75
	2020	4	0	100	0	25	75
	2021	4	0	100	0	25	75
Supervisory Board Germany	2019	31	16	84	0	22.6	77.4
	2020	32	25	75	0	31.3	68.7
	2021	32	25	75	0	25	75
RIAG Management Board (Austria)	2019	6	0	100	0	50	50
	2020	5	0	100	0	60	40
	2021	4	0	100	0	100	0
Supervisory Board (Austria)	2019	5	0	100	0	40	60
	2020	4	0	100	0	50	50
	2021	4	0	100	0	50	50

Share of non-German employees

	Region	Employees			Managers			Top executives		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
Total headcount	Total	229,125	249,016	248,678	14,975	15,154	15,158	206	211	204
	Germany	190,309	209,644	209,163	9,771	9,999	10,107	174	179	171
	Austria	38,816	39,372	39,515	5,204	5,155	5,051	32	32	33
Headcount of foreign nationalities	Total	33,885	38,767	40,804	1,497	1,584	1,699	14	17	19
	Germany	23,449	27,732	29,177	615	659	726	5	7	8
	Austria	10,436	11,035	11,627	882	925	973	9	10	11
Share of foreign nationalities in %	Total	14.8	15.6	16.4	10.0	10.5	11.2	6.8	8.1	9.3
	Germany	12.3	13.2	13.9	6.3	6.6	7.2	2.9	3.9	4.7
	Austria	26.9	28.0	29.4	16.9	17.9	19.3	28.1	31.3	33.3

GRI 405-2:

Equal pay for equal work

Equal pay for equal work is a high-priority goal at the REWE Group. Much of the compensation employees earn is set by collective bargaining agreements – in such cases, pay is based on remuneration groups and is not influenced by gender or other factors. A total of 98.4 per cent of the REWE Group's employees are covered by collective bargaining agreements and/or labour-management agreements. In terms of the scope of the Sustainability Report including independent retailers, the figure is 71.7 per cent. Collective bargaining coverage for REWE retailers is generally created when a company joins an employers' association.

The German Remuneration Transparency Act took effect in 2017. It is designed to promote equal pay for women and men for the same type of work. Twenty-two employee queries about this issue were submitted in the financial year. Employees can submit their questions about equal pay to the headquarters department Compensation & Benefit. This process is coordinated with works councils.



GRI 406

Equal Treatment

Discrimination means disadvantaging persons or groups of persons on the basis of certain characteristics. Non-discrimination is defined as a human right and forms the basis for respectful cooperation. Companies, in particular, attach great importance to ensuring that all employees are treated equally.

Activities related to equal treatment are assigned to the “Diversity and Equal Opportunity” area of action, which is part of the Employees pillar of the REWE Group’s Sustainability Strategy.

GRI 406: Non-discrimination

Management approach

Principles

The corporate culture of the REWE Group is characterised by a trusting and respectful relationship among customers, employees and business partners. This commitment is laid down in the company’s fundamental values. In addition, all employees and business partners are bound by the Guidelines on Sustainable Business Practices, which explicitly state that discrimination is prohibited: “We do not tolerate discrimination in the workplace on any grounds, whether it be gender, skin colour, religion, ethnic origin, age, nationality, marital status, sexual orientation, disability, social background or political opinion.” This applies to the recruitment of new employees, to employees in existing employment relationships and to business partners.

Implementation

All sales lines have contact persons to whom employees can turn in the event of discrimination. These contacts can be found, for example, in the Compliance department, on the works council as well as in the di.to network (different together; for more information, see the section Diversity and Equal Opportunity). Employees can also approach their managers or the HR department. Any reports of discrimination are followed up thoroughly, with confidential treatment guaranteed as a matter of course. Personal conversations are held with the affected employees, and the works council is involved.

GRI 406-1:

Incidents of discrimination and corrective actions taken

The REWE Group consistently investigates all reports of discrimination and takes disciplinary action and, where appropriate, personnel measures if they are found to be true. At present, cases of discrimination are not recorded centrally within the group of companies in Germany, but the regional contact persons take all necessary measures.

In Austria, 19 employees consulted their contact partners in the works council or the HR department regarding sexual discrimination. In two cases, the perpetrator was a customer, with one case reported to the police. There were nine internal cases where the discriminators were dismissed; the remaining cases resulted in transfers and warnings. One incident of discrimination was on religious grounds and one on the grounds of sexual orientation. Three other cases could not be classified as discrimination or sexual harassment.

The REWE Group in Austria launched a campaign that translates to “Sexual Harassment and Discrimination – NO thanks!”, which is designed to inform employees about their options in response to such incidents. The campaign includes a poster that was sent to all stores and locations as well as accompanying information material. A workshop on the topic of sexual harassment and discrimination was held for selected works council members in cooperation with the Ombud for Equal Treatment. Specially trained staff members are available to assist affected persons in the company – whether through anonymous conversations or by actively taking action. In addition, the works council provides information on the topic of “Non-discrimination – no opportunity for discrimination” in a brochure. In 2021, the REWE Group in Austria introduced a new e-learning course on the topic of sexual harassment, which is mandatory for all managers and recommended for employees.



Social Commitment

In its role as a reliable partner, the REWE Group commits its resources to areas where it does business and to the world's more destitute regions. The company works with strong partner organisations who can draw on their local experience and provide effective support. A special issue in this regard is the development of long-term partnerships that all sides can count on. The REWE Group's strategic partners include the Nature and Biodiversity Conservation Union (NABU), the funding organisation Aktion Mensch e. V., Tafel Deutschland e. V. and Kindernothilfe e. V. Where possible, the REWE Group involves its customers and employees in projects. This approach strengthens the sense of community and expands the projects' reach.

Principles

The REWE Group is actively involved in causes such as the development of children and adolescents. It aims to improve their educational opportunities, and promotes equal opportunity in Germany. In this work, the company helps socially disadvantaged young people while they are attending school and taking steps to enter the work world. The REWE Group is also committed on an international level to access to education, for example in school construction projects around the world. The REWE Group also values projects designed to inform children and adolescents at an early age about the need to get plenty of exercise and eat balanced meals.

For the concept of sustainability to take root in society, we need well-informed consumers. And it is easy to understand why: They will be the ones to explore the issue and integrate it into their shopping decisions. For this reason, the REWE Group strives to raise the awareness levels of adults and children about more sustainable consumption and more balanced diets. The company also integrates them into its involvement in biodiversity and environmental protection. The REWE Group draws on a wide range of formats in this process to reach numerous customers and raise awareness of a more sustainable lifestyle – from participatory events and informative action weeks to fund-raising drives conducted through the sale of selected products. For more information, see [Promoting Sustainable Consumption](#). Also, as part of its membership with the consumer group Deutsche Stiftung Verbraucherschutz, the REWE Group promotes projects targeted at providing children and adolescents with key consumer skills.

Areas of action

In the pillar Social Commitment within the REWE Group's [Sustainability Strategy](#), the company has identified the following four topics as areas of action: conscious nutrition and exercise; opportunities for children and adolescents; vigilant approach to food; and biodiversity and environmental protection. The areas of action apply to the whole of the REWE Group. Every sales line covers at least two of these areas with its involvement.

Responsibility

All areas of action are monitored by the “Social Commitment” project group, a team that has been led by Dr Daniela Büchel (Divisional Board Member of Retail Germany – HR and sustainability areas) since mid-2016.

Key figures

As a way of measuring the progress being achieved in the pillar Social Commitment, the REWE Group records key figures for selected projects in the respective areas of action. All projects using at least 30,000 euros in funds, or of particular relevance for a sales line, are included in the reporting. The overall key figure recorded is the percentage of projects running for at least two years, since a high degree of effectiveness can especially be expected in long-term projects.

Key figure	Status in 2019	Status in 2020	Status in 2021	Measures
Percentage of long-term projects (> two years)	88%	88%	94%	See Projects and Sponsorships

Area of action: conscious nutrition and exercise

The number of children and adolescents reached through three projects during the financial year were recorded. In particular, these projects involved nutrition workshops with children in day-care centres and football clubs and the provision of healthy food for school classes. Due to school and day-care centre closures caused by the pandemic, the projects had to be temporarily suspended.

Key figure	Status in 2019	Status in 2020	Status in 2021	Measures
Number of children and adolescents reached	20,000	43,271	68,528	See Projects and Sponsorships

Area of action: opportunities for children and adolescents

The number of children and adolescents reached through twelve projects during the financial year were recorded. This has more than doubled compared with the previous year, with the number of organisations receiving support through the projects remaining the same at 123. In 2021, however, these included more institutions with a very wide reach, such as large associations. The focus of projects in the area of action “opportunities for children and adolescents” is on improving future opportunities. Therefore, they particularly target supporting socially disadvantaged children and adolescents with learning and vocational training, improving their life circumstances, as well as constructing and renovating schools around the world.

Key figure	Status in 2019	Status in 2020	Status in 2021	Measures
Number of children and adolescents reached	11,000	12,580	31,225	See Projects and Sponsorships

Area of action: vigilant approach to food

In total, four projects contributing to a more vigilant approach to food were recording during the financial year. The focus of these were consumer education and cooperation with food banks. Around 80-90 per cent of REWE and PENNY stores in Germany and Austria work with food banks and/or other organisations such as, for example, Foodsharing. By doing so, they help to avoid food waste. As part of the project “Tafel macht Zukunft” (Tafel creates the future), the aim in the future is to establish an exact recording of the cooperations and the food quantities delivered. As participants and sponsors of this project, REWE and PENNY in Germany are also helping to make the collection and distribution of food donations from stores and producers efficient and customised using digital solutions – in order to be able to pass on even more donations to people affected by poverty.

Key figure	Status in 2019	Status in 2020	Status in 2021	Measures
Amount of funding and donations to support food banks in Germany and Austria	326,000 Euro	898,610 Euro	682,227 Euro	See Projects and Sponsorships

The REWE Group participates in the Nationales Dialogforum zur Reduzierung der Lebensmittelverschwendung (National Dialogue Forum for Reduction of Food Waste) and supports the national strategy for the reduction of food waste of the Federal Ministry of Food and Agriculture. As part of this, food waste in REWE and PENNY stores in Germany was measured again in 2021. On average, REWE and PENNY sell over 98 per cent of their foods each year. By summer 2022, further specific reduction goals and measures are to be adopted as part of the target agreement of the Dialogue Forum.

Area of action: biodiversity and environmental protection

In the financial year, six projects were recorded which are helping to promote biodiversity and environmental protection, educate consumers and employees, as well as make them aware of these issues. The total amount spent on projects fell compared to the previous year. This is due to fewer donations from, for example, BILLA customers who instead favoured the foundation “Blühendes Österreich” (Blooming Austria), as well as lower proceeds from campaigns which help these projects. An example here is the fall in sales of the NABU ocean bracelet.

Key figure	Status in 2019	Status in 2020	Status in 2021	Measures
Total amount spent on projects (2021)	3,017,094 euros	3,432,500 euros	2,291,691 euros	See Projects and Sponsorships and Biodiversity

Nine further projects are not associated with any of the four areas of action. Their total volume (donations and project budgets which make a contribution to society) was over six million euros, including three million euros from customer donations. The decline in total donations compared to the previous year can be attributed to the fact that, in 2021, donations for the major project “Scheine für Vereine” (Vouchers for Clubs) were shifted to the following year.

An action particularly noteworthy for 2021 is the commitment of the REWE Group and its employees to help victims of the floods in North Rhine-Westphalia and Rhineland-Palatinate in July 2021. In total, over four million euros were paid to organisations such as the German Red Cross and “Ein Herz für Kinder” (A Heart for Children) as well as to employees affected by the flood, and distributed in the form of donations in kind to those affected in the flood regions (see [Projects and Sponsorships](#)). For each of the two projects, just under 500,000 euros were contributed through employee and customer donations.

Reporting

The GRI report covers the main topics of the pillar Social Commitment:

- [Projects and Sponsorships](#)
- [Child Protection](#)



GRI 203

Projects and Sponsorships

As an international commercial company, the REWE Group assumes responsibility that extends beyond its core business. With the help of strong, long-term partnerships and dedicated employees, the company therefore carries out a broad range of projects and measures designed to help society.

Conscious nutrition and exercise, opportunities for children and adolescents, vigilant approach to food, and biodiversity and environmental protection are the four areas of action in the pillar Social Commitment within the REWE Group's Sustainability Strategy. In order to promote these four individual topics, the commercial company is involved in a large number of projects.

GRI 203: Indirect economic impacts

Management approach

Principles

The REWE Group considers itself to be a good corporate citizen. This means that it assumes responsibility where it does business and where help is needed within the realm of its own possibilities. In particular, the Group works on behalf of children and adolescents and promotes healthy diets and a vigilant approach to food (also see Social Commitment).

When it comes to donations and sponsorship, a combine-wide guideline applies for the REWE Group, which serves as a basic set of rules. According to this guideline, the company must ensure that any projects and initiatives being implemented are in line with the REWE Group's mission statement as well as its compliance and sustainability principles.

Implementation

As part of its social commitment to national projects, the REWE Group relies on long-term partnerships with non-profit organisations. This cooperation creates unity and ensures that the projects are successful. Education is particularly important to the REWE Group and is part of projects in all sales lines. Examples include the construction of schools and support for educational institutions. Additional focal points are defined by the core business of the

sales lines as well as the four areas of action in which projects arise: conscious nutrition and exercise; opportunities for children and adolescents; vigilant approach to food; and biodiversity and environmental protection.

Many projects in the area of social commitment are implemented by independent retailers in the locality of their stores. Local activities make up a large share of all projects and therefore make a significant contribution to the involvement of the REWE Group.

Despite the restrictions caused by the Covid-19 pandemic, most of the projects selected here undertaken during the reporting period were implemented. They are sorted as follows:

- Infrastructure investments and services supported
- Significant indirect economic impacts in the four areas of action
 - Projects to promote conscious nutrition and exercise
 - Projects to promote opportunities for children and adolescents
 - Projects to promote a vigilant approach to food
 - Projects to promote biodiversity and environmental protection

Infrastructure investments and services supported

Through emergency aid projects, the REWE Group promotes investments in infrastructure and services at its sites as well as in destinations and countries relevant to DER Touristik where special support is desperately needed. Amongst other things, the projects must correspond to the funding purposes of the DER Touristik Foundation.

Help for those affected by the flooding catastrophe in Germany

In response to the flooding catastrophe in North Rhine-Westphalia and Rhineland-Palatinate in mid-July 2021, retailers, store managers, store teams and administrative offices of the REWE Group have provided non-bureaucratic help at short notice. For example, PENNY, REWE, toom Baumarkt DIY stores, nahkauf and Lekkerland have generously donated food and other urgently needed everyday items to many of the affected towns and communities directly on site and provided volunteers.

The commercial company, which itself was affected by the flooding catastrophe (55 stores at REWE, nahkauf and PENNY), has also provided support through donations:

- In July, PENNY called on customers to donate to the flood victims and tripled the amount. In total, the German Red Cross flood relief campaign received around 1.35 million euros.
- The REWE Group set up a flood relief fund for affected colleagues – within a matter of days and weeks, just under 1.4 million euros of emergency aid were paid out, including almost 500,000 euros in donations from around 1,300 employees of the REWE Group.
- From mid-October until the end of December 2021, customers at toom Baumarkt DIY stores were given the option to round up the total of their purchases to the next full euro amount. The amounts collected through this rounding-up campaign then flowed to non-profit organisations for reconstruction efforts. In total, 20,000 euros were collected. This was rounded up by toom Baumarkt DIY stores to 50,000 euros.
- REWE contributed to the charity action “Ein Herz für Kinder” (A Heart for Children) with a donation of one million euros. Through this campaign by the organisation BILD hilft e. V., a total of 3.7 million euros flowed into the reconstruction of children's facilities, including day-care centres, schools, playgrounds and sports fields, in those regions particularly affected.
- Through the donation of bottle deposits in some REWE regions, 61,000 euros were collected for the German Red Cross flood relief campaign.

Support for people in the Ukraine and refugees

Mid-March 2022, the REWE Group donated to those in need in Ukraine. For example, the company responded to a call by the Federal Ministry of Food and Agriculture (BMEL) with donations in kind of almost one thousand tonnes of food and hygiene products. Furthermore, large amounts of donations in kind from REWE and PENNY stores were brought to the Polish-Ukrainian border. The REWE Group national companies in Eastern Europe provided most of the initial aid. In addition, the REWE Group supported the German Red Cross fund-raising campaign for Ukraine with one million euros. A platform was set up so that employees could also get involved in fundraising. Many stores gave customers the option to donate their bottle deposits and retailers helped local organisations. For example, the REWE Group in Cologne provided the organisation “Blau-Gelbes Kreuz” (Blue-Yellow Cross) with donations in kind and gave their team relief through volunteers.

DER Touristik helped the Ukraine action “Touristik hilft” to set up its website of the same name, www.touristik-hilft.de, where details of accommodation for Ukrainian refugees can be entered and filtered by type, size or location. Currently, the focus is on Germany, Austria and Switzerland, but other regions can also be entered.

Unity during the corona pandemic: “The Tafel” food bank support

The REWE Group has been one of the main supporters of more than 950 local Tafel food banks across Germany since 1996 – and, for many years now, it has also served as a sponsor of many events organised by Tafel Deutschland e. V. In the financial year, the corona pandemic continued to pose challenges for food banks. Demand for supply increased, but there was less support from volunteers. PENNY and REWE provided relief here with cash donations and donations in kind. As part of a call for more solidarity, part of the proceeds from the sale of a special edition of PENNY toilet paper, amounting to 40,000 euros, was donated to food banks. In addition, a total of 100,000 corona self-tests were donated. Once again, as the main sponsor, the REWE Group supported the Members' Meeting of the Tafel food banks, which took place digitally for the first time. Furthermore, ten lots of 1,000 euros were given to local food banks through a raffle to celebrate 25 years of partnership between Tafel and REWE.

Despite corona-related constraints, the “Fill the Plate Together!” campaign, which has taken place annually since 2009, also managed to be run: REWE and nahkauf stores as well as the REWE online shop called on customers to buy donation bags. These are filled with long-lasting food products such as pasta, rice or soup. Almost all 950 food banks across Germany received supplies, with a total of around 544,000 bags worth over 2.5 million euros. The REWE sales line donated 40,000 of these bags.

Fund-raising projects by employees

For eleven years now, many employees at the REWE Group have been donating a fixed amount from their monthly wage to education projects run by the charity organisation Kindernothilfe in Haiti, in particular for the earthquake-proof Collège Véréna in Port-au-Prince. Over four million euros have been collected in this way so far. At the end of

2020, the employee fundraising project was relaunched with the addition of desired projects. Employees from all sales lines were able to vote on new donation projects. In April 2021, the donation phase for the following selected projects started:

- Little Home Köln e. V. – small houses for homeless people (see [Small Houses for the Homeless](#))
- Kindernothilfe e. V. – The protective schools in Haiti (see [Together for Haiti](#))
- DER Touristik Foundation e. V. – Black Mambas (see [The DER Touristik Foundation, Black Mambas, South Africa](#))
- Tafel Deutschland e. V. – Children and Adolescent Fund: Local food banks are working on projects to ensure that disadvantaged children and adolescents across Germany have the same social and cultural educational opportunities as peers from wealthier families. The fund is financing initiatives such as age-appropriate cooking and environmental projects.

Small houses for the homeless

toom Baumarkt DIY stores have been supporting the organisation Little Home Köln e. V. with building materials for the “Little Homes” since 2019. The small mobile houses provide homeless people with a sheltered living space and therefore support them on their way back into society. In 2021, 18 small houses were built, making it a total of 48 since 2019.

Together for Haiti

Since the earthquake in 2010, the REWE Group has been working together with the charity organisation Kindernothilfe in Haiti to provide children and adolescents with better access to education. Using donations from its employees and retailers, the REWE Group teamed with the organisation to enable the reconstruction of Collège Véréna, a school in a slum area of Port-au-Prince which was completely destroyed by the earthquake. Some 1,500 children can attend school here.

In addition, since 2015, various projects have enabled Restavèk children – the name given to children from rural areas whose impoverished families sent them to guest families in the city to work – to have a basic school education. Since 2016, a scholarship programme created by the REWE Group has been enabling graduates of Collège Véréna who are in great need and Restavèk children to undergo vocational training or go to college.

Due to the reconstruction of Collège Véréna being completed, the employee donation programme ended in 2020. The school and the scholarship programme for gifted graduates will continue to receive support through a fund until 2025. The money also enables maintenance work and any necessary purchases as well as child sponsorships and the annual Christmas celebrations.

With the “Schützende Schule” (protective school) project, Kindernothilfe in Haiti is once again part of the recipient projects of the employee donation programme. The school is located in a slum in Lévéque, which was provisionally erected by earthquake survivors two hours north of Port-au-Prince. Here children learn to protect not only themselves from violence and natural disasters, but also their environment, since, according to Kindernothilfe, violence falls when

urban areas become greener and more homelike.

In August 2021, Haiti was affected once again by a severe earthquake. Many people lost their homes in the south-west part of the country. Kindernothilfe set up centres in Haiti for those children affected, where they could get protection, support and warm meals. The REWE Group provided support here with an additional donation of 23,000 euros.

The DER Touristik Foundation

With its non-profit organisation, the DER Touristik Foundation, DER Touristik – as an international travel group – is demonstrating its commitment to its social responsibility towards people and nature in its travel destinations. The potential of tourism should be used to protect the environment and promote economic development in the host countries. Through the DER Touristik Foundation, DER Touristik bundles its social commitment beyond its business activities. In addition, the foundation ensures that sponsorship projects receive effective, long-term support.

The DER Touristik Foundation strives to promote and protect the social and economic conditions of people and the ecosystems in less developed tourism regions of the world. Training measures are designed to create prospects and empower local residents to reduce poverty and inequality, contribute to growth and prosperity, and promote the preservation of nature and wildlife.

For example, since 2014, the DER Touristik Foundation has facilitated the construction and renovation of more than 62 schools in 21 countries on five continents. In 2021 alone, a total of four school construction projects were completed using donations. A new school was built in each of Kenya, Madagascar and India, whilst a school in South Africa was equipped with disinfectants and hygiene stations, plexiglass panels for the pupils, protective visors for the teachers and additional tables/chairs in order to make it corona-safe. These projects enable children and adolescents to get an education and increase their ability to live independent lives.

Together – even in difficult times: support during the corona pandemic

In 2021 too, fewer people were travelling than before the pandemic due to Covid-19. Particularly in emerging and developing countries, this led to little or no income in many places. In addition, relief organisations were receiving fewer donations. Therefore, in 2020, the DER Touristik Foundation decided to continue supporting a number of projects which had already been completed. In 2021, these included the KOTO training centre near Hanoi, Vietnam. Young people who come from difficult backgrounds and, in some cases, have suffered sexual abuse, can complete an apprenticeship in the catering industry here. From 2017 to 2019, the DER Touristik Foundation had supported the renovation and expansion of the KOTO training restaurant. In the financial year, the DER Touristik Foundation funded tuition for 100 trainees so that these adolescents do not lose their education and future opportunities.

In 2021, the DER Touristik Foundation supported the following projects for the first time. They are summarised in the brochure “Auf gutem Weg” (On the right track):

- **Hospitality Training Center, Thailand:** The Pimali Foundation in Nong Khai offers young Thailanders from disadvantaged backgrounds and orphans a professional training framework. Each year, it takes in young people who are at least 15 years old and have finished school. The training focuses on “learning by doing” and enables the acquisition of skills in various areas of the hotel industry and their use during a six-month internship at hotel partners. The DER Touristik Foundation is funding five of the places at the Pimali Foundation as well as the subsequent six-month internship at partner hotels.
- **Coral Reef Restoration, the Caribbean:** DER Touristik is supporting a pilot project on the Caribbean island of Barbados, which is suffering from significant coral mortality in the reefs off its south and west coasts. The plan here is to use Biorock technology to accelerate coral growth and thereby preserve marine biodiversity. Frames made of structural steel and metal mesh, through which a weak current flows, are lowered into the sea. Through electrochemical processes, a solid crust of the salts aragonite and brucite dissolved in seawater gradually forms on them. In this way, one to three centimetres of solid limestone grows on the surface of these artificial coral reefs each year. The project is equipped with real-time monitoring systems which are collecting data on water quality for the duration of a five-year monitoring programme. The project is complemented by a comprehensive education campaign which is intended to make students and adolescents in particular aware of the programme.
- **Tortoise Protection, Indian Ocean:** Following the shipwreck off the coast of Île aux Aigrettes in Mauritius in July 2020, the Aldabra giant tortoises who live on the beaches and are important to Mauritian habitats were massively threatened by oil vapours. Since this disaster, in order to ensure their survival, baby tortoises have been brought from their original habitat – the nature reserve on Île aux Aigrettes – to a rearing station on Round Island for two years, where they grow under surveillance and protection. Daily care includes regular medical check-ups as well as sufficient food and weight checks. After two years, the Aldabra giant tortoises are strong enough to be sent back to Île aux Aigrettes. Work has been taking place there with international experts and residents to mitigate the consequences of the oil spill.

In addition, the DER Touristik Foundation is involved through the following projects:

- **Rhino Protection, South Africa:** Since 2013, the Black Mambas, 36 young women from the region, have been protecting around 13,000 rhinos in the Kruger National Park from poaching, which has risen again due to the absence of tourists during the pandemic and thus a lack of income. Since 2020, the DER Touristik Foundation has been funding a multi-week refresher course for the group to become wildlife experts. The initiative was selected to be one of the employee fundraising projects during the financial year. The DER Touristik Foundation is also financing the on-site Bush Babies programme: As part of this, some 1,300 children and adolescents from local schools are learning about the environment, food security and animal welfare.
- **Training, Cambodia:** Since 2019, the DER Touristik Foundation has been supporting the training of ten young Cambodians in the tourism sector through a project by the organisation Smiling Gecko e. V. Despite the corona pandemic, training continued in 2021.

- **Marine Reserve, Greece:** Completed in 2021 with the support of the DER Touristik Foundation, a veterinary clinic and a visitor centre have been built as part of a conservation area for seals, turtles and dolphins on the Greek island of Lipsi. Due to delays caused by the corona pandemic, the opening and start-up of operations have been moved to 2022.
- **Training, Tanzania:** Since 2016, the DER Touristik Foundation has been supporting projects in the Simanjiro District located south of Kilimanjaro, including the construction and equipment of various schools as well as the erection of a seminar centre for Maasai women. Since 2020, the construction of a crafts centre has been underway for secondary school leavers who want to train as a carpenter or locksmith.
- **Environmental Education, Tanzania:** Since 2017, through promotion of the environmental programme “Living in Harmony with Nature” at secondary schools in the Simanjiro District, the DER Touristik Foundation has been raising awareness amongst young people of the importance of wildlife and the conservation of natural resources.

GRI 203-2:

Significant indirect economic impacts

The business activities of the REWE Group have significant indirect economic impacts: In its stores and travel agencies, the REWE Group employs about 380,000 people inside and outside Germany. When new stores are opened, communities benefit from infrastructure investments, taxes and fees as well as from a broad range of social activities undertaken by employees, store managers and independent retailers. In doing so, the REWE Group generates important momentum for the development and growth of the regions where its stores do business.

Projects to promote healthy nutrition and exercise

Since 2000, the REWE Group has been supporting the group “5 am Tag” (5 a day) as a charter member. The aim is to boost consumption of fruit and vegetables to five portions a day in order to promote a healthy diet. In addition, as part of its membership with the consumer group Deutsche Stiftung Verbraucherschutz, for example, the REWE Group promotes the imparting of consumer skills. Furthermore, it is involved through the following projects:

Promotion and communication of healthy diet through educational campaign

With the food bank group Tafel Deutschland e. V. and other partners, REWE provides participating schools with Power Boxes (Power Kiste) that contain an alternating range of foods selected by dietary experts to be used in preparing breakfast in the classroom. This enables children to get their day off to a healthy start. At the end of 2021, 23 schools and over 1,400 children were receiving the boxes from Monday to Friday. In this way, around 122,000 breakfasts were provided in the 2020/21 school year. Due to school closures caused by the pandemic, the project had to be temporarily suspended. Almost 15,000 children have received over 1.8 million breakfasts since 2009. The project is supported with donations from brands such as Chiquita, Danone, Ehrmann, FrieslandCampina, Mondelez, Nestlé, Unilever, Zentis, Henkel, Rügenwalder Mühle and Eurogroup (part of the REWE Group).

In 2021, eleven additional schools took part in the inaugural “Power Kiste Light” (Power Box Light) project. In this concept, they receive breakfast items offered by the REWE delivery service.

In some parts of Germany, REWE also promotes nutrition workshops. They are designed to help children in day-care centres to playfully learn about healthy diets. For this purpose, digital media is used during the daily training course. Since 2009, over 250,000 children have taken part in nutrition workshops supported by REWE. In the financial year, 432 workshops (2020: 380, 2019: 925) took place for around 8,600 children. Due to the Covid-19 pandemic, not all workshops could be carried out as planned.

Torhunger (Hunger for Goals): promoting a healthy diet through football

As an official dietary partner of the German Football Association (DFB), the REWE sales line has been promoting a healthy diet in sport since 2008. Children and adolescents have been the focus since 2019: As part of the campaign “Torhunger” (Hunger for Goals), REWE supports them through football camps where they learn the important basics of proper nutrition in practical modules, for example. By the end of 2021, over 1,400 of these camps had been run for almost 60,000 children.

Projects to promote opportunities for children and adolescents

For years, the REWE Group has systematically taken part in projects that promote the development of children and young people. An important approach is the support from volunteers and local organisations who pass on their knowledge and experience in direct contact.

Sharing experiences as a business partner: “Lernen macht Schule” initiative

During the educational and integration initiative “Lernen macht Schule” (Learning Catches On), children from socially disadvantaged families and students from the Vienna University of Economics and Business learn with and from one another. Each semester, about 140 so-called learning buddies from the university support about 260 children and adolescents in facilities operated by the Catholic charity Caritas. In 2021, just as in the previous year, digital channels were used again during lockdowns when schools were closed. This contact is intended to strengthen empathetic perspectives and character. The REWE Group in Austria acts as a business partner and presents itself as an attractive employer at the same time.

In another mentoring project, the REWE Group takes part in the sponsorship programme “EHRENSACHE” (Act of Honour) in cooperation with the non-profit employment organisation Joblinge to provide internships and job-entry qualification training to socially disadvantaged young people.

Since 2018, PENNY, as a sponsor, has been supporting the national “Best Junior Company” competition run by IW JUNIOR, a subsidiary of the German Economic Institute. For the competition, which is held at state, national and soon even EU level, participating students come up with a business idea and test it out for a whole school year.

Förderpenny (Sponsorship Penny) initiative supports local children and adolescents

With its Förderpenny (Sponsorship Penny) initiative (formerly the Goodwill Basket), the PENNY sales line has been supporting local non-profit organisations that work on behalf of children and adolescents since 2015. In 2021, PENNY handed out grants worth 266,000 euros to 123 winners in 41 neighbourhood regions. Choosing from more than 850 applicants, regional juries initially selected three winners per neighbourhood region, each receiving 2,000 euros in prize money. In the next step, customers and supporters of the organisations had the opportunity to vote for one of the three winners in their neighbourhood. All first-place organisations received the customer donations from stores in their neighbourhood for a year: By saying “keep the change” when paying at the till, the purchase total was rounded up to the next 10-cent amount, enabling customers to support the first-place group in their area. Since the beginning of the initiative, grants worth over 2.2 million euros have been paid out, including around one million euros from customer donations.

In addition, three national prize winners were chosen from all the first-place winners during the financial year, receiving prize money totalling 20,000 euros. These were the child and youth welfare association “Kinder- und Jugendhilfeverein Dresden”, the youth and cultural centre “Jugend- und Kulturzentrum Stockumer Schule”, and Coming Out Day e. V.

As part of the “Aufrunden” (round up) programme, the REWE Group is also active in Austria with the trade companies BILLA, BILLA Plus, BIPA and PENNY. Thanks to the support of customers, a total of over 196,000 euros were collected during the financial year. Therefore, a total of 1.3 million euros have been donated between 2013 and the end of 2021. The money is used to support projects by Caritas, including learning cafés, special education programmes and mother-child homes.

Donations at nahkauf

Since 2009, the REWE sales format nahkauf has been involved in the organisation BILD hilft e. V. “Ein Herz für Kinder” (A Heart for Children), which supports children and families in emergency situations. In 2021, a total of 400,000 euros were donated to the organisation. Since the start of the partnership, this has enabled over 3.6 million euros to be collected.

For freedom from barriers and inclusive playgrounds: cooperation with Aktion Mensch

Since 2020, one cent from every “babytime” private label product sold at PENNY and REWE has been flowing to a selected, changing project partner of Aktion Mensch. Almost 165,000 euros were collected in 2021. These funds

have been used to support the setting up of an inclusion assistance service for day-care centres and schools. The aim of this project is to enable around 60 impaired children and adolescents to attend a regular day-care centre or school through the support of inclusion assistants.

To promote motoric and social development at early ages, REWE also supports the construction of inclusive playgrounds along with the German charity Aktion Mensch and Procter & Gamble. Since April 2018, one cent from each sale of a Procter & Gamble product has been donated to the project “Stück zum Glück” (the Coin to Happiness) for inclusive playgrounds – over 1.3 million euros since 2019. By the end of 2021, the money raised had been used to build or expand 33 inclusive playgrounds throughout Germany.

In many REWE stores, customers can also donate their bottle deposits to local support projects from Aktion Mensch as well as local organisations of their choice. In this way, over 1.95 million euros were generated and donated in 1,548 stores in 2021.

Cooperation with Lebenshilfe

Inclusion is also an important topic at toom Baumarkt DIY stores. Since 2014, the sales line has therefore been cooperating with Lebenshilfe, the German association for people with mental disabilities, their families, experts and friends. The aim is to break down barriers by talking with each other and to familiarise customers with the topics of inclusion and diversity. For this purpose, 40 toom Baumarkt DIY stores throughout Germany have established partnerships with Lebenshilfe facilities in their city or region. The commitment consists of the following project focuses:

- Local actions at the toom Baumarkt DIY stores – such as joint sales of Christmas trees
- Publication of the brochure “Selbermachen leicht gemacht” (DIY made easy) for three popular DIY topics as well as a video in easy-to-understand language
- Workshop work stations for people with disabilities in toom Baumarkt DIY stores

One main focal point involves the inclusion of employees. In this effort, toom Baumarkt DIY stores have set up work stations for Lebenshilfe workshops in 21 stores. Due to the Covid-19 pandemic, no new measures could be implemented during the financial year, either for the workshop work stations or the local actions. These local partnerships still exist.

Projects to promote a vigilant approach to food

The REWE Group strives to keep food waste to a minimum (see also [Circular Economy](#) and [Packaging](#)). As part of this effort, it works with upstream production stages and its own stores. With the help of modern forecasting systems and automatic ordering processes, supported by the commercial experience of the employees, stores can be supplied with fresh goods as they are needed. Short transport routes between warehouse locations and stores, end-to-end refrigeration from production to shelf as well as regular employee training help to keep losses to a minimum.

On average, PENNY and REWE sell over 98 per cent of their foods each year. Food which can no longer be sold but can be consumed without risk is donated across Germany to over 950 local food bank initiatives. REWE has been

making such donations since 1996 and PENNY since 2007. In addition, both sales lines work with the organisation foodsharing e. V. Lekkerland also campaigns against food waste, with the sales line's stores donating food to food banks. Furthermore, as part of a partnership with "Too good to go", the company is encouraging business partners to offer consumers the "Too good to go" app. This connects them to food outlets and businesses which have unsold, surplus food to sell at a discount price.

Because consumers are responsible for most food waste, the REWE Group conducts information and educational campaigns aimed at its customers. The PENNY sales line has been involved in this topic for years and provides tips on how best to store food or be creative in recycling leftovers, for instance. Since 2019, as part of the "Saving Precious Goods" campaign, selected private label products such as yoghurt, cream and butter have been labelled with the instruction "Smell. Taste. Enjoy." right next to the best-before date.

"Retterregal" (Rescue Shelf) campaign

In October 2021, the "Retterregal" (Rescue Shelf) campaign started online and in the interactive sustainability store "PENNY Grüner Weg" in Berlin. As part of this three-month campaign, products were available from four selected start-ups, who make products from leftover food or food which can no longer be sold and therefore help to stop food waste. The start-ups taking part were:

- **Rettergut:** This company processes fruit and vegetables with minor imperfections to make organic spreads and soft drinks.
- **Helden Brot & Knödelkult:** These start-ups give unsold bread a second life – in the form of bread crisps and bread dumplings.
- **Zero Bullshit:** This company makes snacks from raw materials which are left over from food production and not further processed, for example crackers made from sunflower seed flour resulting from the production of sunflower oil.
- **wisefood:** This start-up produces edible disposable tableware made, for example, from consumable apple fibres which are left over from the production of apple juice.

The project had scientific support from the non-profit international think-and-do tank Collaborating Centre on Sustainable Consumption and Production in Wuppertal and the Thünen Institute. The goal was to measure the impact on customer awareness and the actual cost-benefit balance of food waste. The results should follow in the course of 2022.

Reducing food waste together

Since the end of 2019, the REWE Group, through its REWE and PENNY sales lines, has been a member of the Nationales Dialogforum zur Reduzierung der Lebensmittelverschwendung (National Dialogue Forum for Reduction of

Food Waste) of the Federal Ministry of Food and Agriculture. The company is therefore supporting the national strategy for the reduction of food waste and signalling its intention to contribute to the global goal of reducing food waste by 50 per cent by 2030. Measures for the reduction of food waste are being developed through the dialogue forum. In 2021, all food losses of the previous year were recorded again as part of a measurement process and published in a report by the Thünen Institute. The convenience sales line Lekkerland also joined the dialogue forum during this period, increasing data acquisition from the wholesale trade. In the next step, project partners are agreeing specific joint reduction goals. The target agreement is set to be published in summer 2022.

The REWE Group is also involved as a partner of “Tafel macht Zukunft – gemeinsam digital” (Tafel creates the future – together digital). The goal of this project is to make it easier for food to be salvaged by food banks through the use of digital solutions. By doing so, it should be possible to rescue more food from going to waste in the future and get it to those who need it. During the reporting period, the digital delivery note was tested for the first time in PENNY and REWE stores and is now being rolled out gradually. At the end of 2021, 14 food banks were involved in the project.

Projects to promote biodiversity and environmental protection

The REWE Group and NABU establish NABU Climate Fund

In 2022, the REWE Group and NABU have added another component to their long-standing partnership. Starting in 2022 and for five years, the REWE sales line will pay five million euros each year into the newly created NABU Climate Fund. The purpose of the NABU Climate Fund is to counteract the drainage of peat bogs caused by agriculture and peat cutting and therefore the release of large amounts of greenhouse gases. On the one hand, heavily drained peat bog areas are being purchased or leased over the long term. On the other hand, farms are receiving support with switching over from conventional farming methods to climate-friendly wetlands management.

As part of the work done by the non-profit organisation DER Touristik Foundation e. V., DER Touristik supports the project “Chilli against Elephants”. A sensitisation campaign is to raise the awareness level of people in Tanzania about the promotion of ecological habitats and biodiversity since conflicts are arising again and again as populations grow and people migrate to regions bordering on nature conservation areas. Elephants frequently destroy the annual harvest of entire villages and are often killed as a result. The solution: the elephants have a strong sense of smell and stay away from chilli plants. By surrounding crops with so-called chilli fences, about 75 per cent of the original damage can be avoided. The local population is taught how to grow and maintain these fences. The project is being carried out in cooperation with Upendo e. V. and PAMS Foundation.

Further projects which demonstrate the REWE Group's commitments in the area of action “biodiversity and environmental protection” are described in the section [Biodiversity](#).



GRI 413

Child Protection

Tourism puts children at particular risk of sexual exploitation. According to estimations by the children's charity UNICEF, each year, around two million girls and boys around the world are sexually exploited in early childhood. In addition, a global study on the sexual exploitation of children in tourism published by ECPAT International – a group that works to prevent the sexual exploitation of children – shows that more children than ever before are affected by sexual exploitation. The increasing number of travellers, the Internet and mobile technologies have fuelled the increase in sexual violence against children in tourism. For this reason, the travel industry has a special responsibility to help to protect children.

The topic of opportunities for children and adolescents is an area of action of the pillar Social Commitment within the Sustainability Strategy of the REWE Group. With its activities in this area of action, the REWE Group is aiming, amongst other things, to ensure the protection of children.

The REWE Group is also working to systematically fight against child labour. In addition to living wages and income as well as women in the supply chain, this topic is a focus area in its Guideline on Fairness. In addition, in its Guideline on the Prevention of Child Labour, the REWE Group has defined requirements and measures with regard to the prevention and elimination of child labour and is involved in numerous projects. The company also relies on internationally recognised certification standards to fight against child labour at the raw material production stage (for more information, see Child Labour and Forced Labour).

Management approach

Principles

DER Touristik employs a very ambitious child protection policy. In 2012, it defined a set of principles that are designed to protect the children of the holiday country and those of guests and to observe their rights within the tourism industry. The focus here is preventing the sexual exploitation of children in tourism.

On 11 March 2016, Sören Hartmann, Chief Executive Officer (CEO) of DER Touristik Group, signed “The Code”, a code of conduct that is designed to prevent children from being sexually exploited, during the ITB tourism trade fair in Berlin. This code is based on the UN Declaration of Human Rights and the UN Convention on the Rights of the Child. ECPAT Deutschland e. V. oversees its implementation and supports DER Touristik as an expert partner. With its signature, DER Touristik expressed its commitment to the code and pledged to observe the following aspects, which have already been actively and fully introduced:

- Implementation of guidelines and measures to prevent the sexual exploitation of children
- Provision of employee training about the rights of children, the prevention of sexual exploitation and the reporting of suspected cases
- Acceptance of a clause in hotel agreements rejecting the sexual exploitation of children and refusing to tolerate it in any way
- Provision of information to travellers about the rights of children, the prevention of sexual exploitation, and ways of actively participating in the protection of children through the reporting of suspected cases
- Support of and cooperation with stakeholders in the fight against sexual exploitation of children
- An annual report about the implementation of “The Code”

Implementation

The child protection policy of DER Touristik is communicated clearly at all destinations. It is also a core topic within a training concept. This raises awareness of the topic amongst hotel employees and travel directors in the destinations as well as employees at headquarters locations, destination agencies and important partners. It is also explained how to deal with suspected cases.

In 2021, a digital format in the form of interactive webinars was used for live training sessions for the first time. In addition, refresher courses were run as part of general training measures in various hotels which had already undergone extensive training. Employees also took part in DER Touristik online training sessions run by ECPAT. In 2021, a total of 62 people (2020: 0 due to corona; 2019: 102) received training on this topic. The comparatively low number can again be attributed to the corona pandemic – the regular training sessions only started again at the end of the financial year.

As part of its information and prevention concept, DER Touristik gets involved through additional awareness-raising measures. For example, travellers are actively informed about the protection of children from sexual exploitation during holidays. The focus here is the reporting platform “nicht-wegsehen.net”, which is operated by ECPAT Deutschland and can be used by holidaymakers to report real and suspected cases of criminal activity.

In addition, DER Touristik is involved in the preparation of regular destination workshops organised by the German Travel Association and ECPAT. The participants are various stakeholders of on-site service providers, with whom DER Touristik also cooperates in child protection bodies at multilateral level. During the workshops, they are taught about the sexual exploitation of children in tourism, sensitised about the topic accordingly, and trained on what to do if they suspect that something is amiss and how to prevent that situation from arising. Most recently, two workshops took place in Indonesia in 2018. The workshops scheduled for 2020 and 2021 had to be cancelled due to the corona pandemic. It is planned for these to resume in 2022.

GRI 413-2:

Operations with significant actual and potential negative impacts on local communities

Risk analysis

In 2021, DER Touristik conducted a risk analysis to find out how the rights of children are affected by various activities within the tourism value chain and at its partners. Firstly, it showed that relevant risks in these value chains can be easily identified. Secondary, it was deduced that products and activities related to community-based tourism as well as visits to social projects require a specification of the previous regulations. To this end, measures and requirements are to be formulated in order to complement existing strategies for child protection in a way that goes beyond the prevention of sexual exploitation and to convert them into a broader approach. This is intended to minimise the various risks associated with tourism activities and maximise the benefit to communities through participation in tourism value creation.

There are also plans to supplement DER Touristik's child protection policy with a comprehensive guideline. Based on the child protection principles of DER Touristik, the guideline is intended to specify requirements for different activities and expand the target groups. Furthermore, it is to provide comprehensive information for internal and external stakeholders and bring about change through projects, campaigns and industry dialogue. The reduction of risks and the strengthening of the rights of children and families are at the fore here. The expansion of the strategy for child protection is also related to the Covid-19 pandemic and the thereby increased vulnerability of children around the world.