

Independent Assurance Report

To REWE-ZENTRALFINANZ eG, Köln

We have been engaged to perform a limited assurance engagement on the description of the necessary materiality analysis and selected sustainability information of the Sustainability Report 2013/2104 of REWE-ZENTRALFINANZ eG, Köln, (hereinafter: “the Company”), for the business years from 1 January 2013 to 31 December 2014. ¹ The sustainability information, which was selected by the Company and reviewed by us, is marked with the symbol (✓) in the Sustainability Report.

Management’s Responsibility

The Company’s Board of Managing Directors is responsible for the accurate preparation of the Sustainability Report in accordance with the criteria stated in the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative (GRI).

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the report.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA-Codex), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed as to whether anything has come to our attention that causes us to believe that:

- the description of the materiality analysis marked with the symbol (✓) as required for a sustainability report to determine its content and the boundaries of its aspects is not in accordance with the criteria "Stakeholder Inclusiveness", "Sustainability Context", "Materiality" and "Completeness" of the GRI's Sustainability Reporting Guidelines G 4 or that they were not used during the Sustainability Report's preparation,
- the management approaches marked with the symbol (✓) in the Sustainability Report are not in accordance with the requirements of the standard disclosures G4-DMA of the Sustainability Reporting Guidelines G 4 or
- the quantitative information marked with the symbol (✓) in the Company's Sustainability Report for the business years 2013/2014 is in material aspects not in accordance with the criteria „Completeness“, „Comparability“, „Accuracy“, „Clarity“, „Timeliness“ and „Reliability“ of the GRI's Sustainability Reporting Guidelines G 4.

It was not part of our engagement to review product or services related information, references to external information sources, expert opinions and future-related statements in the Sustainability Report.

We also have been engaged to make recommendations for the further development of the sustainability management and the sustainability reporting based on the results of our assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement, under consideration of materiality, in order to provide our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend on the practitioner's judgment.

Within the scope of our work we performed amongst others the following procedures concerning the materiality analysis, management approaches and key data – for the aspects that are marked with the symbol (✓):

- Inspection of the documents describing the CR-Strategy and CR-Management as well as obtaining an understanding of the organizational structure of CR;

- Inquiries of personnel responsible for the preparation of the report as well as inquiries of coordinators of three lines of sustainability “Green Product”, “Energy, Climate and Environment” and “People” regarding the process to prepare the reporting of sustainability information;
- Recording the systems and processes for collection of sustainability data, inspection of their documentation and validation on a sample basis;
- Analytical procedures on relevant data;
- Gaining further evidence for selected data of the report through inspection of internal documents, contracts and invoices by external service providers.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that

- the description of the materiality analysis marked with the symbol (✓) as required for a sustainability report to determine its content and the boundaries of its aspects is not in accordance with the criteria "Stakeholder Inclusiveness", "Sustainability Context", "Materiality" and "Completeness" of the GRI's Sustainability Reporting Guidelines G 4 or that they were not used during the Sustainability Report's preparation,
- the management approaches marked with the symbol (✓) in the Sustainability Report are not in accordance with the requirements of the standard disclosures G4-DMA of the Sustainability Reporting Guidelines G 4 or
- the quantitative information marked with the symbol (✓) in the Company's Sustainability Report for the business years 2013/2014 is in material aspects not in accordance with the criteria „Completeness“, „Comparability“, „Accuracy“, „Clarity“, „Timeliness“ and „Reliability“ of the GRI's Sustainability Reporting Guidelines G 4.

Emphasis of Matter - Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's sustainability management and sustainability reporting:

- To formalize the various internal sustainability reporting requirements and to summarize it in a Group Guideline;
- To strengthen the descriptions of the management approaches;
- To integrate all consolidated companies into the sustainability reporting and to report annually.

Munich, 28 September 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Hendrik Fink
Wirtschaftsprüfer
(German Public Auditor)

ppa. Juliane v. Clausbruch

¹ Our engagement applies to the German version of the Sustainability Report. This text is a translation of the Independent Assurance Report issued in German language - the German text is authoritative. The report is released online under www.rewe-group-nachhaltigkeitsbericht.de.

Statement from the most senior decision-maker

See the statement by CEO **Alain Caparros**.

Key impacts, risks, and opportunities concerning sustainability

Overcoming the challenges created by global and partially complex value chains is one of the biggest jobs facing REWE Group. The key tasks in this process are to identify relevant problems, develop solutions and find the right partners in order to gain influence. REWE Group has direct influence on the product conditions and quality of the store brands sold by its sales lines. But the company has no direct influence on the makers of brand name products. The key here is to focus on maintaining a trusting working relationship. Here is one example of this effort. As part of their annual Sustainability Weeks, the sales lines of REWE Group work with their industry partners to present more environmentally and socially acceptable brand products that have successfully completed a testing process performed by the Centre on Sustainable Consumption and Production (CSCP).

As a way of moving sustainability from its niche existence and into the volume market, REWE Group is raising the awareness level of a broad segment of the general public about this issue. It provides comprehensive information to customers, partners, employees and stakeholders, and conducts transparent and credible communications. Awareness about sustainable consumption and interest about more sustainable products and services may indeed be rising – and creating an undeniable opportunity for REWE Group in the process. But, for most customers, the key criterion for purchasing decisions remains the price. In spite of the cost pressure being exerted by such factors as rising purchasing prices, personnel costs and environmental investments, REWE Group has no intention of veering from its chosen path: It is determined to be a sustainability pacesetter in the retail industry.

Name of the organization

The cooperative REWE Group is a leading trade and tourism group in Germany and Europe. Its business activities are bundled in two combines: REWE-ZENTRALFINANZ eG, Cologne (RZF), and REWE-Zentral-Aktiengesellschaft, Cologne (RZAG).

The defining characteristic of REWE Group is its cooperative structure. Principles like decentral organisation, diversification, independence and the individual responsibility of business units and independent retailers have many strengths. At the same time, they also require REWE Group to weigh a large number of different interests in its sustainability strategy. For this reason, the aim is to implement joint standards and to raise awareness levels of all groups about sustainable business policies that will secure both the future of the environment and society as well as our own existence.

Primary brands, products, and services

Its sales lines include the supermarkets and consumer stores operated by the brands REWE, REWE CENTER, REWE CITY and BILLA, the discounter PENNY as well as the DIY stores of toom Baumarkt and B1 Discount Baumarkt. The company also operates organic supermarkets (TEMMA), innovative convenience stores (REWE To Go), the gastronomic concept "Oh Angie!" and the e-commerce activities REWE delivery service, Zooroyal and Weinfreunde.

The product range includes such well-known store brands as REWE Beste Wahl, REWE Bio, REWE Regional, REWE Feine Welt, ja!, VIVESS, TEMMA, PENNY, today, BILLA, Ja! Natürlich, clever, LOOK BY BIPA, iQ COSMETICS, MY, toom and b1. The company's own production operations the bakery Glocken Bäckerei and the quality butcher Wilhelm Brandenburg also provide excellent store brand products.

Since April 2013, the former Travel and Tourism Division of REWE Group has been operating internationally under the "DER Touristik" umbrella brand. The brand comprises the tour operators ITS, Jahn Reisen and Travelix as well as DERTOUR, MEIER'S WELTREISEN and ADAC Reisen along with the business travel unit FCm Travel Solutions and more than 2,100 travel agencies (including DER Reisebüro, DER-PART), the hotel chains Iti hotels, Club Calimera and PrimaSol Hotels as well as the direct operator clevertours.com.

See:

- > **Our sales lines**
- > **Sales structure**

Location of the organization's headquarters

The headquarters of REWE Group have been located in Cologne ever since the company was established in 1927.

Countries with significant operations

The Cologne-based REWE Group did business in 12 European countries in 2013/2014. At 14.4 billion euros, the company generated nearly 30 per cent of its total external revenue outside Germany in 2013. Austria is the company's biggest international generator of revenue. As the market leader there, REWE Group operates BILLA supermarkets, MERKUR consumer markets and PENNY discount stores. The portfolio is rounded out by BIPA drug stores and the stores operated by independent ADEG retailers.

REWE Group operated the following sales formats in the remaining European countries: BILLA in Bulgaria, Croatia, Romania, Russia, Slovakia, the Czech Republic and Ukraine; PENNY in Bulgaria, Italy, Romania, the Czech Republic and Hungary; BIPA in Croatia and IKI in Lithuania.

Nature of ownership and legal form

REWE (Revisionsverband der Westkaufgenossenschaften) was established in 1927 by 17 purchasing cooperatives. Today, REWE Group consists of two combines: REWE-ZENTRALFINANZ eG (RZF) and REWE - Zentral-Aktiengesellschaft (RZAG).

REWE Group is proud of its cooperative roots. The Supervisory Board, shareholders, retailers and the Management Board of 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.

Markets served

Locations

Country	National Full-Range Stores	International Full-Range Stores	National Discount Stores	International Discount Stores	Travel and Tourism*	National Specialist Stores**	Total
Germany	1,756	-	2,168	-	573	304	4,801
Austria	-	1,810	-	285	-	-	2,095
Italy	-	-	-	317	-	-	317
Czech Republic	-	199	-	353	-	-	552
Russia	-	96	-	-	-	-	96
Romania	-	85	-	171	-	-	256
Hungary	-	-	-	197	-	-	197
Slovakia	-	128	-	-	-	-	128
Bulgaria	-	91	-	49	-	-	140
Ukraine	-	39	-	-	-	-	39
Croatia	-	131	-	-	-	-	131
Total	1,756	2,579	2,168	1,372	573	304	8,752

* Travel sales, package tourism and component tourism strategic business units.

** DIY store strategic business unit.

All other business segments are also strategic business units.

Continuing operations only.

see page 4 of the **Annual Report 2014**

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Scale of the organization

The combine operates about 15,000 stores with approximately 330,000 employees in 12 countries and generated total external revenue of 51.11 billion euros in 2014 – including the revenue produced by around 1,400 independent REWE retailers. Germany is the company's home market, producing nearly 70 per cent of revenue. In Germany, the company produced revenue of 37.20 billion euros in about 10,000 stores and with around 228,000 employees. (For information about total capitalisation, see page 33 of the **Annual Report 2014**)

Employees by employment type, gender and region

The total number of employees in Germany and Austria fell from 169,664 (2012) to 168,326 (2013). In 2014, it fell further to 167,801. Across Europe, REWE Group currently employs about 330,000 people.

The percentage of trainees in the workforce of Germany and Austria fell slightly from 3.7 per cent in 2012 to 3.6 per cent in 2013. In 2014, the figure remained 3.6 per cent. The percentage of part-time employees (excluding marginally employed individuals and trainees) remained constant at about 40 per cent during the reporting period. Of the 169,664 employees in 2012, a total of 143,734 had open-ended full-time positions. The total rose to 146,432 in 2013 and climbed to 149,476 in 2014. Expressed in percentages, these figures were 85 per cent (2012), 87 per cent (2013) and 89 per cent (2014).

Total workforce by employment contract and gender

Year	2012		2013		2014	
	Temporary contract	Open-ended full-time contract	Temporary contract	Open-ended full-time contract	Temporary contract	Open-ended full-time contract
Total	25,930	143,734	21,894	146,432	18,325	149,476
Women	15,377	102,098	12,866	103,402	10,241	104,650
Men	10,553	41,636	9,028	43,030	8,084	44,826
Of those full time, including apprentices	8,089	58,438	7,343	59,834	7,079	60,179
Of those part time, including marginally employed	17,841	85,296	14,551	86,598	11,246	89,297
Of those full time (including apprentices) %	31.2	40.7	33.5	40.9	38.6	40.3
Of those part time (including marginally employed) %	68.8	59.3	66.5	59.1	61.4	59.7

Total workforce by employment contract and gender

Year	2012						
Type of employment		Number	Full time	Part time	Apprentices	Marginally employed individuals	FTEs*
		Total	%	%	%	%	Total
National Full-Range Stores total	Women	50,579	17.7	50.1	2.3	30.0	31,080.9
	Men	24,102	56.3	7.1	6.2	30.5	17,997.2
	Total	74,681	30.1	36.2	3.6	30.1	49,078.1
International Full-Range Stores (Austria)	Women	27,889	32.7	55.9	3.7	7.7	20,927.3
	Men	9,387	79.3	9.6	4.3	6.7	8,578.9
	Total	37,276	44.4	44.3	3.8	7.4	29,506.2

G4-10 Organisational Profile Strategy and Analysis							
National Discount Stores	Women	21,349	10.7	69.0	1.8	18.6	12,235.2
	Men	6,287	53.6	21.1	6.8	18.5	4,953.2
	Total	27,636	20.4	58.1	2.9	18.5	17,188.5
Discount Stores Austria	Women	1,996	23.7	66.9	4.2	5.3	1,477.3
	Men	519	79.6	10.2	5.0	5.2	485.8
	Total	2,515	35.2	55.2	4.3	5.2	1,963.1
National Specialist Stores	Women	6,856	25.7	47.0	1.9	25.5	4,514.9
	Men	5,993	60.9	11.5	4.2	23.4	4,757.2
	Total	12,849	42.1	30.4	3.0	24.5	9,272.1
National Travel and Tourism	Women	4,011	59.0	28.0	11.0	2.0	3,494.4
	Men	1,049	89.0	5.1	4.9	1.0	1,022.5
	Total	5,060	65.2	23.3	9.7	1.8	4,516.9
Other ¹	Women	4,795	38.8	37.0	2.6	21.6	3,419.7
	Men	4,852	85.6	3.2	4.0	7.3	4,515.2
	Total	9,647	62.3	20.0	3.3	14.4	7,934.9
Total (area of application of the Sustainability Report)	Women	117,475	22.8	53.7	2.9	20.6	77,149.6
	Men	52,189	64.2	9.4	5.5	20.9	42,310.1
	Total	169,664	35.6	40.1	3.7	20.7	119,459.7

* FTE = Full-time equivalent

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

2013							
Type of employment		Number	Full time	Part time	Apprentices	Marginally employed individuals	FTEs*
		Total	%	%	%	%	Total
National Full-Range Stores total	Women	50,136	18.3	50.6	2.4	28.8	31,200.7
	Men	24,314	57.4	7.0	6.0	29.7	18,302.3
	Total	74,450	31.0	36.3	3.5	29.1	49,503.1
International Full-Range Stores (Austria)	Women	28,339	32.7	56.2	3.5	7.6	21,238.1
	Men	9,732	79.1	9.6	4.7	6.6	8,909.9
	Total	38,071	44.6	44.3	3.8	7.4	30,147.9
National Discount Stores	Women	20,646	12.0	70.2	2.0	15.8	12,196.8
	Men	6,131	57.2	20.5	7.4	14.9	5,001.4
	Total	26,777	22.4	58.8	3.2	15.6	17,198.2
Discount Stores Austria	Women	1,968	24.0	67.9	3.8	4.2	1,460.7
	Men	515	78.8	12.6	3.7	4.9	479.3
	Total	2,483	35.4	56.5	3.8	4.3	1,940.0
National Specialist Stores	Women	6,706	26.0	46.4	2.0	25.6	4,418.8

	Men	5,880	62.0	11.1	4.5	22.3	4,722.3
	Total	12,586	42.8	29.9	3.2	24.1	9,141.1
National Travel and Tourism	Women	4,007	58.8	28.5	10.6	2.0	3,488.8
	Men	1,035	88.7	5.9	4.3	1.2	1,004.9
	Total	5,042	65.0	23.9	9.3	1.8	4,493.8
Other ¹	Women	4,466	38.0	37.6	2.1	22.2	3,138.9
	Men	4,451	84.8	4.7	1.9	8.6	4,069.5
	Total	8,917	61.4	21.2	2.0	15.4	7,208.4
Total (area of application of the Sustainability Report)	Women	116,268	23.4	54.2	2.8	19.6	77,142.8
	Men	52,058	65.1	9.4	5.3	20.2	42,489.6
	Total	168,326	36.3	40.3	3.6	19.7	119,632.5

* FTE = Full-time equivalent

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

2014							
Type of employment		Number	Full time	Part time	Apprentices	Marginally employed individuals	FTEs*
		Total	%	%	%	%	Total
National Full-Range Stores total	Women	49,854	18.4	51.6	2.4	27.6	31,192.5
	Men	24,415	57.5	7.6	6.0	29.0	18,432.5
	Total	74,269	31.3	37.1	3.6	28.0	49,625.0
International Full-Range Stores (Austria)	Women	27,851	32.2	57.1	3.3	7.4	20,846.6
	Men	9,683	79.8	9.5	4.6	6.1	8,947.2
	Total	37,534	44.5	44.8	3.6	7.1	29,793.8
National Discount Stores	Women	19,903	12.5	70.8	2.2	14.6	11,917.5
	Men	6,048	58.6	20.9	7.7	12.8	5,019.4
	Total	25,951	23.2	59.1	3.4	14.2	16,936.9
Discount Stores Austria	Women	1,926	25.7	67.3	2.8	4.2	1,432.8
	Men	510	79.6	14.3	2.2	3.9	474.8
	Total	2,436	37.0	56.2	2.7	4.1	1,907.5
National Specialist Stores	Women	7,101	26.3	46.4	2.4	24.9	4,724.6
	Men	6,432	60.1	11.3	5.1	23.4	5,106.7
	Total	13,533	42.4	29.7	3.7	24.2	9,831.3
National Travel and Tourism	Women	4,011	58.8	29.9	9.4	1.8	3,482.1
	Men	1,072	88.5	5.3	4.6	1.6	1,039.6
	Total	5,083	65.1	24.7	8.4	1.8	4,521.7
Other ¹	Women	4,245	38.5	38.2	2.2	21.2	3,016.1
	Men	4,750	77.8	13.0	1.5	7.7	4,312.1

	Total	8,995	59.2	24.9	1.8	14.1	7,328.1
Total (area of application of the Sustainability Report)	Women	114,891	23.5	54.9	2.8	18.8	76,612.2
	Men	52,910	64.7	10.4	5.3	19.6	43,332.2
	Total	167,801	36.5	40.9	3.6	19.0	119,944.4

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal
* FTE = Full-time equivalent

Percentage of employees covered by collective bargaining agreements

As of 31 December 2014, 160,931 of the 167,801 employees covered by the Sustainability Report were subject to collective bargaining agreements and/or employer/works council agreements. This amounts to 95.9 per cent of this employee group.

Description of the supply chain

As a retailer of food and non-food products, REWE Group employs far-reaching supply chains. The values contained in the code of conduct (see **G4-56**) and in the **Guidelines for Sustainable Business Practices** (see **G4-14**) also apply to business relationships. Should a contract partner intentionally or wantonly ignore these rules, REWE Group reserves the right to impose penalties. The objective is for REWE Group to work with its contract suppliers and apply the company principle "We recognise our responsibilities and act sustainably" to the entire supply chain.

In the following reports, REWE Group provides insights into the supply chains of selected food and non-food products that represent the key challenges encountered in the supply chains of various products contained in the range of REWE Group: see **supply chain**.

Significant changes during the reporting period

The stores of the consumer electronics division that operated under the ProMarkt brand name were sold or closed in 2013. In 2014, a decision was taken to pull out of the full-range store business in Italy and to sell the business unit BILLA Italy. In December 2014, all shares of Kressner GmbH & Co. KG, Wissen, and the clothing store Kressner GmbH, Dillenburg, were sold and transferred (see page 54 of the **Annual Report**).

Implementation of the precautionary principle

REWE Group strives to create a balance among the economic, environmental and social impacts of its business operations wherever possible. In this process, it continuously measures its own performance and progress. When different goals come into conflict with one another, the company calls on experts from its own ranks and from external stakeholder groups. Using this approach, the company then fine-tunes its sustainability strategy and simultaneously generates momentum for new industry solutions.

Guidelines for Sustainable Business Practices

The principle of sustainability is firmly anchored in the vision and values of REWE Group. In January 2010, this principle took concrete form as the company's **Guidelines for Sustainable Business Practices**. The guidelines are broken down into three main segments: Responsible Action, Labour and Social Standards, and the Environment and Animal Protection. 16 subsections focus on specific issues, including the general ban on corruption; fairness in competition; the prohibition of forced and child labour; prohibitions of discrimination; occupational health and safety; climate, resource and animal protection; a commitment to endangered species and biodiversity; and responsibility regarding consumer interests.

The values apply to all employees of REWE Group as well as to the Management Board and the Supervisory Board. The guidelines are based on the U.N. Universal Declaration of Human Rights, the conventions of the International Labour Organisation (ILO), the U.N. Global Compact and the objectives of the U.N. Convention on Biological Diversity (CBD).

Risk Management

As an international trade, travel and tourism company, 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. Uniform group-wide risk management successfully addresses these risks and ensures long-range opportunities. The company's management and supervisory bodies are informed every six months about the current risk situation in a standardised report. To that end, risk managers send risk reports that contain inventories of relevant individual risks from the risk areas as of a given closing date. Risks with similar content and causes are subsequently aggregated at the combine level into risk categories and classified as high, medium or low with regard to their relevance to the combine based on the threat potential to the company's business activities, financial position, results of operations, cash flows and image.

More: pages 17-24 of the **Annual Report 2014**

External initiatives that the organization endorses

In 2008, REWE Group joined the Business Social Compliance Initiative (BSCI), an alliance of companies that are committed to improving labour and social standards in risk countries. The BSCI's Code of Conduct is based on the conventions of the International Labour Organisation (ILO) and the U.N. Universal Declaration of Human Rights. Its requirements include a renunciation of exploitative child and forced labour as well as compliance with statutory pay and work schedules.

REWE Group is also a partner in the initiative Cotton made in Africa organised by the Aid by Trade Foundation. The initiative strives to improve quality of life and environmental protection in developing countries. As a result of its determination to promote sustainability and end its niche existence, REWE Group supports many initiatives that promote sustainable actions, animal welfare, environmental protection, conscious diets and much more: See partners and memberships at **[REWE Group Sustainability](#)**.

Significant memberships in industry and business associations

A list of sustainability-relevant memberships: See partners and memberships at **REWE Group Sustainability**.

Entities included in the consolidated financial statements

The report covers REWE combine companies for Germany and Austria.

The sustainability work undertaken by independent retailers is addressed and presented only in individual cases as a result of the wide number of their activities and their entrepreneurial autonomy. This approach has also been taken to locations outside Germany and Austria. Nonetheless, more than 50 per cent of REWE Group's employees have been covered.

In reporting the data, a clear distinction is made in those places where detection limits deviate. For instance, the data for the pillar of Energy, Climate and the Environment occasionally include independent retailers and locations outside Germany.

Also contains information about G4-26

Process for defining the report content

A representative cross-section of relevant stakeholders (see G4-24) was surveyed at the end of 2014 in personal interviews about their needs, views and strategic recommendations for the purpose of modifying the materiality matrix. In addition, an online questionnaire was filled out by 115 participants.

Relevance from the Perspective of Internal and External Stakeholders



The survey results were used to develop a ranking of 25 top-priority issues and 13 less critical issues. The latter group included various employee issues, topics of social involvement, transparent marketing, certification and labels, waste management, sustainable packaging and biodiversity. These issues were intensely discussed in REWE Group project groups. It was concluded that all issues are critical to the combine's continued involvement and to reporting. The only exception is biodiversity: It is not a top priority within the confines of the company's business operations. But the issue is important in the supply chain. As a result, it will be monitored in this context and reported

on.

In March 2015, the PRO PLANET Board of Advisers, in which many stakeholder groups are represented, reviewed and approved the findings. Afterwards, the materiality analysis was discussed and approved by REWE Group's Sustainability Strategy Committee chaired by Manfred Esser. A classification of the indicators to be reported on was done for REWE Group's Sustainability Report 2013/2014.

Material Aspects identified

Materiality analysis

The priorities are set on the basis of the collection and weighting of internal and external points of view (stakeholder survey)

Issues	Priorities	Corresponding GRI Aspects	Significant Impacts	
of the stakeholder survey, partially combined	Within the action areas	With information of related indicators	Within the Organisation	Outside the Organisation
Green Products				
More sustainable products and services > Expansion of regional product ranges > Expansion of organic product ranges > Certificates and labels	1	Products and services (EN27, EN28); Procurement Practices (EC9)	All consolidated REWE Group companies in the report	Suppliers, customers
Responsibility in the supply chain > Social standards in the supply chain > Human rights in the supply chain > Environmental standards and climate protection in the supply chain	2	Investment (HR1, HR2) Freedom of association and Collective Bargaining (HR4) Child Labor (HR5) Forced or Compulsory Labor (HR6) Supplier Human Rights Assessment (HR10, HR11) Supplier Assessment for Labor Practices (LA14, LA15) Grievances about labor practices (LA16) Supplier Assessment for Impacts on Society (SO9, SO10) Supplier Environmental Assessment (EN32, EN33)		Suppliers
Product quality and safety	3	Customer Health and Safety (PR1, PR2)		Customers
Responsible handling of farm animals	4	Supplier Environmental Assessment (EN32, EN33)		Suppliers
Consumer information on sustainability > Transparency and traceability	5	Product and Service Labeling (PR3 – PR5)	See above	Suppliers, customers

Transparent marketing	6	Marketing Communications (PR6, PR7)	Customers
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Energy, Climate, the Environment

Conservation of resources	1	Materials (EN1, EN2)	See above
Climate protection	2	Emissions (EN15 – EN21)	See above
Energy efficiency	3	Energy (EN3 – EN7)	See above
Water	4	Water (EN8 – EN10)	See above
More sustainable logistics	5	Transport (EN30)	See above
Waste management	6	Effluents and Waste (EN22 – EN26)	See above
More sustainable packaging	7	Materials (EN1, EN2)	

Employees

Fair working conditions	1	Employment (LA1 – LA3) Labor/Management Relation (LA4) Equal Remuneration for Women and Men (LA13) Freedom of Association and Collective bargaining (HR4)	See above
Education and training programmes > Sustainability awareness of employees	2	Training and Education (LA9 – LA11)	See above
Health management and occupational safety	3	Occupational Health and Safety (LA5 – LA8)	See above
Life-phase-oriented personnel policies	4	Not GRI relevant	See above
Diversity and equal opportunity	5	Diversity and Equal Opportunity (LA12) Non-discrimination (HR3)	See above

Society

Consumer information and sustainability training	1	Indirect Economic Impacts (EC7, EC8)	Customers, society
Promotion of healthy diets and exercise	2	Indirect Economic Impacts (EC7, EC8)	Society
Education and personal growth of children and adolescents	3	Indirect Economic Impacts (EC7, EC8)	Society, local environment
Support of non-profit organisations	4	Indirect Economic Impacts (EC7, EC8)	See above
Fight against child prostitution and violence against minors at holiday destinations	5	Local Communities (SO1, SO2)	Society, local environment

Company Management

Sustainability in company management	1	GRI Standard Disclosures	See above	
Integrity and compliance	2	Anti-corruption (S03 – S05) Public Policy (S06) Compliance (EN29, S08, PR9) Customer Privacy (PR8) Grievance Mechanisms for Impacts on Society (S011)	See above	Business partners, customers
Fair business relationships	3	Anti-competitive practices	See above	Business partners
Dialogue	4	GRI Standard Disclosures		Society, customers, business partners, suppliers
Business performance	5	Economic Performance (EC1 – EC4)	See above	

Aspect Boundaries within the organization

Issues	Priorities	Corresponding GRI Aspects	Significant Impacts	
of the stakeholder survey, partially combined	Within the action areas	With information of related indicators	Within the Organisation	Outside the Organisation
Green Products				
More sustainable products and services > Expansion of regional product ranges > Expansion of organic product ranges > Certificates and labels	1	Products and services (EN27, EN28); Procurement Practices (EC9)	All consolidated REWE Group companies in the report	Suppliers, customers
Responsibility in the supply chain > Social standards in the supply chain > Human rights in the supply chain > Environmental standards and climate protection in the supply chain	2	Investment (HR1, HR2) Freedom of association and Collective Bargaining (HR4) Child Labor (HR5) Forced or Compulsory Labor (HR6) Supplier Human Rights Assessment (HR10, HR11) Supplier Assessment for Labor Practices (LA14, LA15) Grievances about labor practices (LA16) Supplier Assessment for Impacts on Society (SO9, SO10) Supplier Environmental Assessment (EN32, EN33)		Suppliers
Product quality and safety	3	Customer Health and Safety (PR1, PR2)		Customers
Responsible handling of farm animals	4	Supplier Environmental Assessment (EN32, EN33)		Suppliers
Consumer information on sustainability > Transparency and traceability	5	Product and Service Labeling (PR3 – PR5)	See above	Suppliers, customers
Transparent marketing	6	Marketing Communications (PR6, PR7)		Customers
Energy, Climate, the Environment				
Conservation of resources	1	Materials (EN1, EN2)	See above	

Climate protection	2	Emissions (EN15 – EN21)	See above	
Energy efficiency	3	Energy (EN3 – EN7)	See above	
Water	4	Water (EN8 – EN10)	See above	
More sustainable logistics	5	Transport (EN30)	See above	Business partners
Waste management	6	Effluents and Waste (EN22 – EN26)	See above	
More sustainable packaging	7	Materials (EN1, EN2)		

Employees

Fair working conditions	1	Employment (LA1 – LA3) Labor/Management Relation (LA4) Equal Remuneration for Women and Men (LA13) Freedom of Association and Collective bargaining (HR4)	See above	
Education and training programmes > Sustainability awareness of employees	2	Training and Education (LA9 – LA11)	See above	
Health management and occupational safety	3	Occupational Health and Safety (LA5 – LA8)	See above	
Life-phase-oriented personnel policies	4	Not GRI relevant	See above	
Diversity and equal opportunity	5	Diversity and Equal Opportunity (LA12) Non-discrimination (HR3)	See above	

Society

Consumer information and sustainability training	1	Indirect Economic Impacts (EC7, EC8)		Customers, society
Promotion of healthy diets and exercise	2	Indirect Economic Impacts (EC7, EC8)		Society
Education and personal growth of children and adolescents	3	Indirect Economic Impacts (EC7, EC8)		Society, local environment
Support of non-profit organisations	4	Indirect Economic Impacts (EC7, EC8)	See above	Society
Fight against child prostitution and violence against minors at holiday destinations	5	Local Communities (S01, S02)		Society, local environment

Company Management

Sustainability in company management	1	GRI Standard Disclosures	See above	
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Integrity and compliance	2	Anti-corruption (S03 – S05) Public Policy (S06) Compliance (EN29, S08, PR9) Customer Privacy (PR8) Grievance Mechanisms for Impacts on Society (S011)	See above	Business partners, customers
Fair business relationships	3	Anti-competitive practices	See above	Business partners
Dialogue	4	GRI Standard Disclosures		Society, customers, business partners, suppliers
Business performance	5	Economic Performance (EC1 – EC4)	See above	

Aspect Boundaries outside the organization

Issues	Priorities	Corresponding GRI Aspects	Significant Impacts	
of the stakeholder survey, partially combined	Within the action areas	With information of related indicators	Within the Organisation	Outside the Organisation
Green Products				
More sustainable products and services > Expansion of regional product ranges > Expansion of organic product ranges > Certificates and labels	1	Products and services (EN27, EN28); Procurement Practices (EC9)	All consolidated REWE Group companies in the report	Suppliers, customers
Responsibility in the supply chain > Social standards in the supply chain > Human rights in the supply chain > Environmental standards and climate protection in the supply chain	2	Investment (HR1, HR2) Freedom of association and Collective Bargaining (HR4) Child Labor (HR5) Forced or Compulsory Labor (HR6) Supplier Human Rights Assessment (HR10, HR11) Supplier Assessment for Labor Practices (LA14, LA15) Grievances about labor practices (LA16) Supplier Assessment for Impacts on Society (SO9, SO10) Supplier Environmental Assessment (EN32, EN33)		Suppliers
Product quality and safety	3	Customer Health and Safety (PR1, PR2)		Customers
Responsible handling of farm animals	4	Supplier Environmental Assessment (EN32, EN33)		Suppliers
Consumer information on sustainability > Transparency and traceability	5	Product and Service Labeling (PR3 – PR5)	See above	Suppliers, customers
Transparent marketing	6	Marketing Communications (PR6, PR7)		Customers
Energy, Climate, the Environment				
Conservation of resources	1	Materials (EN1, EN2)	See above	

Climate protection	2	Emissions (EN15 – EN21)	See above	
Energy efficiency	3	Energy (EN3 – EN7)	See above	
Water	4	Water (EN8 – EN10)	See above	
More sustainable logistics	5	Transport (EN30)	See above	Business partners
Waste management	6	Effluents and Waste (EN22 – EN26)	See above	
More sustainable packaging	7	Materials (EN1, EN2)		

Employees

Fair working conditions	1	Employment (LA1 – LA3) Labor/Management Relation (LA4) Equal Remuneration for Women and Men (LA13) Freedom of Association and Collective bargaining (HR4)	See above	
Education and training programmes ➤ Sustainability awareness of employees	2	Training and Education (LA9 – LA11)	See above	
Health management and occupational safety	3	Occupational Health and Safety (LA5 – LA8)	See above	
Life-phase-oriented personnel policies	4	Not GRI relevant	See above	
Diversity and equal opportunity	5	Diversity and Equal Opportunity (LA12) Non-discrimination (HR3)	See above	

Society

Consumer information and sustainability training	1	Indirect Economic Impacts (EC7, EC8)		Customers, society
Promotion of healthy diets and exercise	2	Indirect Economic Impacts (EC7, EC8)		Society
Education and personal growth of children and adolescents	3	Indirect Economic Impacts (EC7, EC8)		Society, local environment
Support of non-profit organisations	4	Indirect Economic Impacts (EC7, EC8)	See above	Society
Fight against child prostitution and violence against minors at holiday destinations	5	Local Communities (SO1, SO2)		Society, local environment

Company Management

Sustainability in company management	1	GRI Standard Disclosures	See above	
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Integrity and compliance	2	Anti-corruption (S03 – S05) Public Policy (S06) Compliance (EN29, S08, PR9) Customer Privacy (PR8) Grievance Mechanisms for Impacts on Society (S011)	See above	Business partners, customers
Fair business relationships	3	Anti-competitive practices	See above	Business partners
Dialogue	4	GRI Standard Disclosures		Society, customers, business partners, suppliers
Business performance	5	Economic Performance (EC1 – EC4)	See above	

Restatements of information provided in previous reports

New information has been added to the indicators **G4-EN1, G4-EN15, G4-EN27, G4-LA6.**

Significant changes in the Scope and Aspect Boundaries

None. The scope of the financial figures corresponds with those in the Annual Report.

Also contains information about G4-18 and G4-26

Stakeholder groups engaged

The key stakeholder groups with which the company conducts a dialogue are suppliers, consumers, business partners, political leaders, government authorities, the academic community and non-government organisations as well as its own employees, managers and independent retailers.

Stakeholders	Form of Involvement
Customers	Dialogue forums The online platforms Utopia.de, Facebook and Twitter Sustainability Weeks Customer satisfaction surveys Customer service
Employees	Dialogue forums Internal communication media Employee survey Involvement in Sustainability Weeks
Retailers	Dialogue forums Membership in the Sustainability Strategy Committee Joint projects Committee of subject-matter experts and retailers
Suppliers	Dialogue forums Communication of guidelines
Business partners	Communication of guidelines
Political leaders	Dialogue forums Membership in trade associations Offices in Berlin and Brussels
NGOs	Dialogue forums Continuous conversation PRO PLANET Board of Advisers Strategic partnership with NABU (as of 2015)
The academic community	Dialogue forums Partnerships with universities Preparation of studies
Media	Responses to journalists' questions Blogger events (including producer tours) Dialogue forums Sustainability Weeks

Identification and selection of Stakeholders

The stakeholder groups that are relevant to REWE Group were determined as part of the sustainability strategy developed in 2008. The list is constantly modified on the basis of intense discussions in such places as the REWE Dialogue Forums (see **G4-27**), the Sustainability Weeks, the PRO PLANET Board of Advisers (see **G4-27**) and stakeholder surveys.

Approach to the stakeholder engagement and frequency

As a trade, travel and tourism company that has millions of customer contacts each day, REWE Group has both a special opportunity and an obligation to lead sustainability out of its niche existence. Important momentum is provided by the direct and personal dialogue that the company conducts with various stakeholder groups. The holding assumes responsibility for the institutionalised dialogue with stakeholder groups and communications with major and trade media. It creates umbrella brand campaigns and measures, including the company's own sustainability label PRO PLANET.

The strategic business units communicate with customers by taking such steps as handing out flyers about sustainability each week or as part of Sustainability Weeks. These weeks are held annually and raise consumers' awareness levels about more environmentally and socially acceptable products and services by taking individual steps.

In addition, all employees are informed, stimulated and energised about the issue. And there is a clear reason for this: Employees serve as the interface with customers and suppliers. As a result, they play the role of sustainability ambassador and become a key competitive factor.

See **G4-18** and **G4-24**.

Also contains information about G4-25, G4-37 and G4-49

Key topics and concerns raised through stakeholder engagement and response

In 2010, REWE Group began to hold dialogue forums where it can have a personal, candid and intense discussion with stakeholder groups. These forums also consider how trade and industry can encourage customers to become more sustainable consumers. In 2013 and 2014, about 900 people took part in four dialogue forums. These participants included representatives from politics, NGOs, the academic community and industry as well as employees and customers of REWE Group. They discussed the issues of conservation of resources, protection of animals and plants, social responsibility and the future of sustainable consumption. The stakeholders' central concerns were discussed on site. They will shape the refinement of REWE Group's sustainability strategy.

One key organisational unit of the stakeholder dialogue is the PRO PLANET Board of Advisers. This board serves as a professional and technical adviser who supports the activities of REWE Group and is consulted about communications issues. The Board of Advisers has five members. The chairman is Bernward Geier. The agricultural and environmental journalist and adviser is a long-time sustainability expert. Barbara Studeny of GLOBAL 2000 and Florian Schöne of the German environmental Naturschutzbund Deutschland e.V. (NABU) represent the issue of the environment. Consumer issues are addressed by Georg Abel, Managing Director of the consumer group VERBRAUCHER INITIATIVE e.V. Friedel Hütz-Adams of the SÜDWIND-Institut is the board member who covers social affairs. In addition, the board brings in outside advisers to address specific issues.

More: **PRO PLANET**

Reporting period

REWE Group's Sustainability Report 2013/2014 covers business years 2013 and 2014 (1 January 2013 to 31 December 2014).

Date of most recent previous report

REWE Group's Sustainability Report 2011/2012 was released on 7 November 2013.

Reporting cycle

REWE Group has been issuing a comprehensive sustainability report every two years since 2009.

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“In accordance” option with GRI and Content Index chosen

The Sustainability Report 2013/2014 was prepared in accordance with the most latest version of the GRI guidelines (G4) and with the guidelines covering the complete form (option "comprehensive"). It is released as an expanded GRI index.

External verification of the report

To ensure quality and credibility, REWE Group engaged the PricewaterhouseCoopers auditing firm to conduct a limited assurance review of this report. The reviewed sections of the report are identified by this symbol ✓. The assurance review summarises the content and guidelines of the review as well as recommendations to the Management Board (see **Independent Assurance Report**).

The input data of the carbon footprint report were also reviewed by INFRAS AG and the Austrian Environmental Agency.

Also contains information about G4-40

Governance structure, incl. committees of the highest governance body

The corporate governance of REWE Group is a commitment to a cooperative -structure. It centres on commercial self-responsibility, free entrepreneurship and the collective power of plurality. The cooperative philosophy serves as an essential element of the company's management culture and its long-range strategy.

Drawing on these fundamental principles and the German Corporate Governance Code, REWE Group has created a four-pillar structure for its corporate governance activities:

1. Transparency and Stability of the Ownership Structure

REWE Group has committed itself to providing clear information about the ownership of the lead companies. The majority favouring independent retailers and cooperatives is explicit and transparent.

2. Composition of the Supervisory Board

The Supervisory Board of REWE Group consists primarily of retailers and employee representatives. This approach assures professional expertise, employee input and sustainability. It also fulfils the spirit of European corporate governance.

3. Consistency and Sustainability in Articles of Association and Company Policies

Corporate governance at REWE Group is based on a combination of coherent Articles of Association and company policies that meets the latest legal and subject-matter requirements.

4. Clear Rules Governing Information and Communication Between the Supervisory and Management Boards

The greatest possible entrepreneurial freedom granted to the Management Board is the essential pre-condition for and the guarantee of the combine's success. For this reason, the continuous and institutionalised dialogue between the Management Board and the Supervisory Board becomes all the more important. This relationship then enables the Management Board to carry out the responsibilities to which it has been assigned. See also **Corporate Governance**.

Also contains information about G4-37 and G4-45

Process for delegating authority for economic, environmental and social topics

As CEO, Alain Caparros is responsible for the entire sustainability strategy of REWE Group. In this role, he draws on the support of sustainability strategy committees and the Department of Corporate Responsibility, which plays a coordinating role in the entire combine. Two strategic committees manage the company's sustainability activities:

Sustainability Strategy Committees

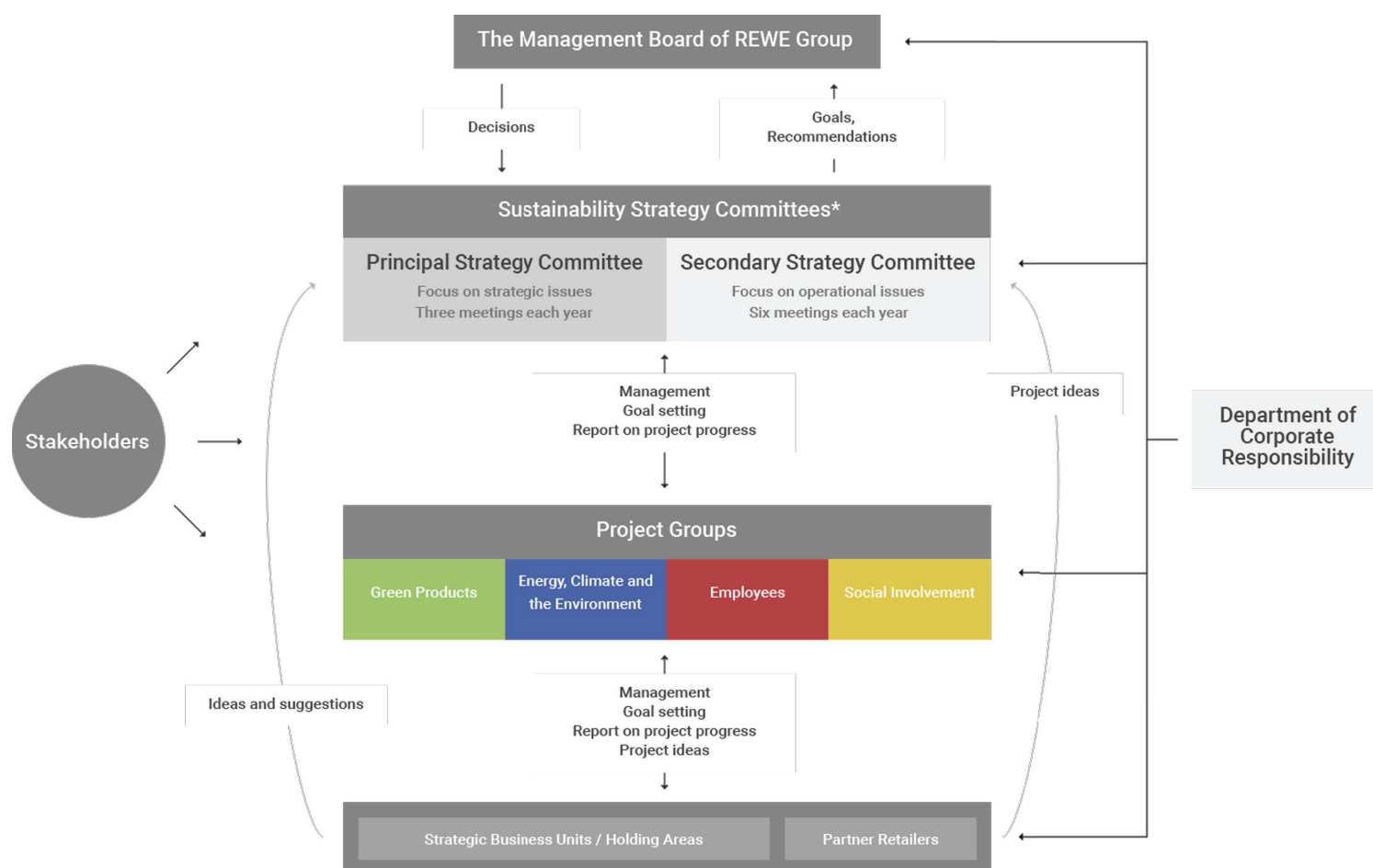
The chief strategy committee that meets a number of times during the year defines the company's broad strategy and continuously modifies it. The committee identifies and evaluates sustainability-relevant opportunities and risks. As part of its work, it draws on the support of internal risk monitoring and external sustainability monitoring. It also evaluates key performance indicators (KPIs), sets annual objectives and oversees company-wide sustainability projects. The committee is composed of members of the Management Board, all fully authorised representatives of REWE Group, many managers from all strategic business units and holding organisations, the chairman of the Central Works Council and a representative of independent retailers. As a result, sustainability has been made a top priority at the company. All decisions are directly related to the work of the Management Board and the Supervisory Board. The chairman of the approximately 40-member chief strategy committee, which also has an average of eight female members, is Manfred Esser, the Management Board member who oversees purchasing at REWE Group. In 2013, the chief strategy committee met seven times. It held three meetings in 2014. The Secondary Sustainability Strategy Committee was set up in 2014. It acts as both a decision-making and working group. It is supported by CEO Alain Caparros and Manfred Esser, the Management Board member who oversees purchasing at REWE Group. The secondary strategy committee meets six times a year. In 2014, two of these meetings were not held.

Project groups

Since 2008, pilot groups have been assigned to all four pillars of sustainability – Green Products; Energy, Climate and the Environment; Employees; and Social Involvement. The various strategic business units and the responsible holding areas of REWE Group are represented on them. During the reporting period, project group employees were included in regular HR meetings.

The integration of independent retailers was intensified during the reporting period. A retailer for sustainability has been elected for each region. This group of sustainability officers has been tasked with the job of promoting the issue and integrating it into their respective region. A chairman was also selected by the group. This individual will represent the retailers at meetings of the strategy committee and propose issues and ideas that were discussed beforehand. Retailers also play an active role in REWE Group's dialogue forums by performing such tasks as leading workshops. This enables the ideas and experience of independent retailers regarding the development of sustainability activities at REWE Group to be considered in all relevant decisions.

Executive-level position with responsibility for economic, environmental and social topics



* Members: entire Management Board, fully authorised representatives, a representative of independent retailers, the chairman of the Central Works Council, heads of holding areas and the managing directors of the strategic business units. An average of seven meetings are held annually.

Also contains information about G4-45

Processes for consultation between stakeholders and the highest governance body

REWE Group conducts its dialogue with stakeholders on a number of different levels. Members of the Management Board also play a regular and direct role in this conversation, including at the company's dialogue forums (see **G4-27**). Important stakeholder issues are discussed in the Sustainability Strategy Committee (see **G4-35**).

Also contains information about G4-40

Composition of the highest governance body and its committees

REWE-ZENTRALFINANZ eG

The composition of the Supervisory Board of REWE-ZENTRALFINANZ eG is based on the German Co-Determination Act. Under the company's Articles of Association, the Supervisory Board consists of 20 members. Ten of these representatives are elected by the general meeting, and ten are chosen by employees on the basis of procedures contained in the Co-Determination Act. The share of women on the board averages 12 per cent.

The Supervisory Board has four committees: Human Resources, Mediation, Strategy and Audit.

REWE-Zentral AG

The composition of the Supervisory Board of REWE-Zentral AG is based on the German One-Third Participation Act. Under the company's Articles of Association, the Supervisory Board consists of 18 members. Twelve of these representatives are elected by the Annual General Meeting, and six are chosen by employees. The share of women on the board averages 12 per cent.

The Supervisory Board has two committees: Human Resources and Audit.

Two members of the six-member Management Board of REWE-ZENTRALFINANZ eG and of the six-member Management Board of REWE-Zentral AG, both of which have identical membership, come from European countries outside Germany: Alain Caparros (CEO) and Lionel Souque. No women are members of these boards.

Also contains information about G4-40

Independence of the Chair of the highest governance body

The positions of Supervisory Board chairman at REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are currently held by the same individual. The chairman is elected from the ranks of the Supervisory Boards. The chairman holds no management position at REWE-ZENTRALFINANZ eG or REWE - Zentral-Aktiengesellschaft.

Nomination and selection processes for the highest governance body and its committees

See **G4-34** , **G4-38** and **G4-39**.

Process for avoiding conflicts of interest

The REWE Group's code of conduct explicitly regulates the process regarding conflicts of interest for all employees and managers, including the Management Board and the Supervisory Board (**see Compliance**).

Also contains information about G4-45

Highest governance body's role concerning strategy and goals

The Supervisory Boards of REWE-ZENTRALFINANZ eG and REWE - Zentral-Aktiengesellschaft are informed about adjustments made to the sustainability strategy when necessary. They have played a support role in this process from the very start in 2008 and advise the chairman who is responsible for executing the strategy.

Measures taken concerning the highest governance body's knowledge in sustainability issues

The awareness level about sustainability among members of REWE Group's Supervisory Boards is high as a result of their regular contact with sustainability issues, their own experience in the company or their work as independent retailers as well as of their analysis of image-relevant key performance indicators.

Evaluation of the highest governance body's performance concerning sustainability

See **G4-43** and the **Report of the Supervisory Boards**

Highest governance body's role concerning sustainability impacts, risks, and opportunities

See **G4-37**, **G4-42** and **G4-46**.

Also contains information about G4-45

Highest governance body's role concerning the effectiveness of the risk management

The company's management and supervisory bodies are informed every six months about the combine's current risk situation in a standardised report. To that end, the risk managers send risk reports to the combines. These reports contain inventories of relevant individual risks from the risk areas as of a given closing date. Risks with similar content and causes are subsequently aggregated at the combine level into risk categories and classified as high, medium or low with regard to their relevance to the combine based on the threat potential to the company's business activities, financial position, results of operations, cash flows and image.

In addition, binding provisions were made under which newly identified, significant risks or existing risks with material changes in their development in the risk areas must be reported directly to our management bodies.

Frequency of the highest governance body's review of sustainability impacts, risks, and opportunities

See **G4-42** and **G4-46**

Highest committee that formally reviews and approves the sustainability report

The Sustainability Report is prepared under the direction of the Head of Corporate Responsibility and the Head of Corporate Communications. The project management is performed by the Department of Corporate Responsibility, which brings all sustainability-related business departments and functions into the report-preparation process. Final approval of the report is given by the CEO of REWE Group.

Process for communicating critical concerns to the highest governance body

See **G4-37**

Critical concerns that were communicated to the highest governance body

There were none in the reporting period.

Remuneration policies for the highest governance body and senior executives

The consolidated salaries of the Management Board and the Supervisory Board are presented in the Annual Report of REWE Group. Employee representatives elected to the Supervisory Board of RZAG continue to receive the salary stipulated in their employment contracts.

Members of the Management Board are entitled to a short-term and long-term performance-based profit-sharing and bonus programme. Since 2013, binding sustainability objectives have been included in the individual target agreements of the highest-level executives at REWE Group. In areas where sustainability plays a major role, this approach is also taken for the department head and purchasing level.

Process for determining remuneration

Remuneration for the Management Board is set by the Supervisory Board. The general meeting determines the compensation of the Supervisory Board of REWE-ZENTRALFINANZ eG. The Annual General Meeting sets it for the Supervisory Board of REWE-Zentral AG. Remuneration paid to the Supervisory Boards totalled 316,000 euros in 2014 and 347,000 euros in 2013.

See page 144 of the **Annual Report 2014**.

Stakeholders' views regarding remuneration

None

Ratio of the highest annual total compensation to the median annual total compensation

With its compensation instruments, REWE Group intends to meet employees' expectations for fair, performance-related and market-conform pay as well as satisfy its own interest in competitive human resources costs. To ensure this in terms of widely accepted negotiated working conditions as well, REWE Group works to promote the fundamental modernisation of collective-bargaining structures in its role as a core member of the German Business Alliance of Innovative Collective-Bargaining Policies and in negotiated policies supported by trade associations. To REWE Group, information regarding indicators G4-54 and G4-55 cannot appropriately reflect the fairness of compensation structures.

Ratio of percentage increase in the highest annual total compensation

See **G4-54**

Values, principles, standards and norms of behavior

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 Management Board and the Supervisory Boards are specified and bindingly formulated in REWE Group's code of conduct. The code is also designed to serve as a guide to those who work with REWE Group.

The basis of sustainable action at REWE Group is the "**Guidelines for Sustainable Business Practices**". These guidelines give concrete form to the fundamental value "We are aware of our responsibility and act sustainably!" As a result, it provides binding orientation for employees, managers, business partners and suppliers.

Mechanisms for seeking advice on ethical and lawful behavior

After introducing a professional anti-corruption system in 2007, REWE Group decided in 2010 to set up an autonomous, decentral compliance organisation: The Corporate Department of Governance & Compliance bundles and coordinates all compliance-relevant activities in REWE Group. A compliance officer serves as an expert contact partner in each business unit and country company.

The aim of REWE Group's Compliance Management System (CMS) is to prevent violations of laws and internal company rules and, thus, to preclude damage to the company and personal liability of the company's bodies and employees. To achieve this objective, a compliance programme has been developed. This programme comprises a number of preventative measures, including risk assessments, training and consulting.

Mechanisms for reporting concerns about unethical or unlawful behavior

Violations of legal regulations or internal rules, particularly regarding corruption, can be reported to compliance officers using a combine-wide whistleblower system or an external ombudsman. These individuals receive tips provided by all employees of REWE Group or third parties who have reason to think that such violations have occurred.

Aspect: Economic Performance

Management approach: The long-term business success of 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 REWE Group consider the long-range cooperative structure to be a guarantee of independence and self-determination.

REWE Group is determined to generate long-term business success and to conduct its business activities in an environmentally and social conscious manner. This commitment is spelled out in **the Guidelines for 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.

Direct economic value created and distributed

In 2014, total external revenue of REWE Group exceeded 51 billion euros – including revenue produced by independent retailers. This revenue was generated by approximately 330,000 employees in about 15,000 stores in Germany and 11 other European countries. At 37.2 billion euros, REWE Group produced more than 70 per cent of its revenue in Germany. Additional information is available on pages 10-13 and page 31 of the **Annual Report 2014**.

REWE Combine

	2014	2013	Change 2013/2014
Combine revenue^{1, 2, 5, 6} million €	42,545.3	41,289.8	+3.0 %
EBITDA^{1, 2, 5, 6} Mio. €	1,347.9	1,170.2	+15.2 %
External revenue, business areas			
National Full-Range Stores € billions	16.94	16.39	+3.4 %
International Full-Range Stores² € billions	8.60	8.65	-0.5 %(+1.9 % ³)
National Discount Stores € billions	6.85	6.81	+0.5 %(+1.5 % ⁸)
International Discount Stores € billions	4.01	4.02	-0.3 %(+1.9 % ³)
National Specialist Stores € billions	2.10	1.93	+8.6 %
Travel and Tourism⁹ € billions	4.92	4.60	+6.9 %
Other^{1, 10} € billions	0.65	0.62	+5.4 %

¹ Excluding the closed SBU consumer electronics business.

² Excluding the closed segment Full-Range Stores Italy.

³ Changes based on local currencies.

⁴

Travel and Tourism revenue in the non-European countries the United States and Thailand as well as, for the first time, Egypt, United Arab Emirates, Tunisia and the Dominican Republic.

⁵ Travel and Tourism at REWE Group was taken into account here with its revenue.

⁶ Pursuant to IFRS. Excluding at-equity entities and independent retailers.

⁷ Investments in property and intangible assets.

⁸ Like-for-like growth.

⁹ The reported revenue corresponds to the invoiced external revenue of Travel and Tourism at REWE Group.

¹⁰

The reported revenue comprises revenue of the central cooperatives, Rewe Verlag GmbH, REWE Versicherung GmbH, central services, Kressner, consumer electronics, Loma Comercia and IT as well as the external revenues of EHA, ZooRoyal and REWE production operations.

¹¹ From continuing operations.

Financial implications and other risks and opportunities due to climate change

The business operations of REWE Group are affected to different degrees by climate change. The impact of climate change, including high rainfall totals or powerful storms, could affect the stores of REWE Group. In addition, climate change and extreme weather events affect the products and services of REWE Group:

Travel and Tourism: No other industry focuses its business so closely on experiencing intact natural environments with broad levels of biodiversity as Travel and Tourism does. Over the long term, climate change could pose a threat to entire holiday destinations. In particular, these areas include islands, coastal regions and ski resorts. Other risks are being created by the rising number of extreme weather events. In response, DER Touristik has created a crisis information system that can immediately inform affected customers and employees about potential threats and provide them with recommended courses of action.

On occasion, these new conditions have promoted a change of customer behaviour. Such customers now book their trips on short notice and avoid certain regions (i.e., areas with poor snow coverage).

Food Retail Sector: REWE Group's business operations depend on reliable, long-term product availability. Extreme weather events and changing climate conditions can threaten the cultivation and harvest of raw materials, a development that could drive up prices.

Against the backdrop of climate change and the altered business conditions related to it in such areas as energy supplies, REWE Group feels affirmed in its decision to be the sustainability pacesetter in the retail sector. The company sees opportunity in efforts to systematically cut energy usage and to prevent climate-damaging emissions – also in light of rising energy prices. It will achieve these goals by increasing energy efficiency, using certified green power, raising its use of natural refrigerants, employing smart logistics and expanding its utilisation of alternative energy sources. By hiring energy managers, working with industry partners, conducting research projects and supporting the combine's own energy service provider EHA (Energie-Handels-Gesellschaft), REWE Group is creating more environmentally conscious business practices and strategically addressing the impact of climate change.

Coverage of benefit plan obligations

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

The scheme offers life-long pension payments, a disability living allowance and survivors benefits. The coverage can be continued when an employee moves to another employer. In addition, REWE Group assumes liability for the funds paid into the system and supports employees' supplemental pension scheme with a fixed payment of up to 300 euros each year. The company provides a supplement of up to 15 per cent to employees' own contributions. REWE International AG offers a similar programme in Austria.

The benefits of the German 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, REWE Group offers its own retirement plan model called "REWE Group Voluntary Pension Benefits". The benefit of this model is its tax-free contributions, which can include large amounts, for programme participants. Some retirement schemes are also offered outside Germany because national social-insurance and tax laws set the conditions for company pension plans.

In 2014, the cash value of the defined benefit obligation (DBO) for the entire REWE Group was 632.4 million euros (in addition to 243.0 million euros of pension-like obligations, 2013: 505.2 million euros and 209.2 million euros, respectively). Additional information is available on pages 104-114 of the **Annual Report**.

Freiwillige übertarifliche Sonderzahlungen

Region	Year	Information stated in euros
National Full-Range Stores total	2012	19,927,895
	2013	22,454,096
	2014	24,013,501
International Full-Range Stores (Austria)	2012	-
	2013	-
	2014	-
National Discount Stores	2012	2,555,218
	2013	2,493,838
	2014	2,597,927
Discount Stores Austria	2012	-
	2013	-
	2014	-

National Specialist Stores	2012	2,555,218
	2013	2,493,838
	2014	2,597,927
National Travel and Tourism	2012	229,000
	2013	233,000
	2014	241,000
Other	2012	7,049,788
	2013	7,947,180
	2014	9,621,924
Total (area of application of the Sustainability Report)	2012	36,897,846
	2013	40,577,123
	2014	44,241,455

The 13th and 14th month salary (holiday pay and Christmas bonus) are covered by collective bargaining agreements in Austria and do not exceed them as a result

Company retirement scheme

Region	Year	Share of participants in the company retirement scheme (of all eligible employees) in %	Total expenses of the company retirement scheme (employees and employer) in euros
National Full-Range Stores total	2012	30.1	11,101,608
	2013	30.3	11,167,632
	2014	30.1	13,266,156
International Full-Range Stores (Austria)	2012	5.1	528,000
	2013	5.1	531,600
	2014	5.3	555,000
National Discount Stores	2012	28.7	3,824,253
	2013	29.7	3,659,999
	2014	30.3	4,882,343
Discount Stores Austria	2012	2.5	18,000
	2013	2.5	18,000
	2014	2.7	18,600
National Specialist Stores	2012	41.5	2,443,228
	2013	40	2,462,534
	2014	36.9	2,861,399
National Travel and Tourism	2012	61.6	4,998,000
	2013	62.2	5,078,000
	2014	62.0	5,190,000

Other	2012	53.5	5,577,018
	2013	56.7	5,745,934
	2014	56.4	8,328,978
Total (area of application of the Sustainability Report)	2012	26.4	28,490,107
	2013	26.5	28,663,699
	2014	26.5	35,102,475

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.

Financial assistance received from government

With its approximately 15,000 stores and travel agencies in Europe, REWE Group makes a major contribution to the development and advancement of the regions where it does business.

It creates new jobs, pays taxes and fees and plays an active role in cultural and social projects. In its work, the company also receives government funding on occasion. One example of this is the logistics centre in Oranienburg. In a project that has breathed new life into the local economy, REWE Group received government financial support. Some of these funds were also used in the reporting period. In addition, the company took part in funded research projects and pilot programmes in such areas as urban logistics.

No total sum of these funds is available because they were not reported centrally.

Aspect: Indirect Economic Impacts

Management approach: REWE Group considers itself to be a good corporate citizen – this means that it assumes responsibility in the places where it does business. This applies to the locations of its stores and administration operations as well as to indirect impacts related to suppliers, farming regions and travel destinations. REWE Group has defined four areas of activity for the focal points of its social involvement, including support of non-profit organisations and projects, and the promotion of education and personal growth of children and adolescents (See the section on „**Strategy**“.)

REWE Group strives to have a positive impact on economic conditions in the supply chain. As part of this commitment, it works in a number of industry initiatives, including ones designed to improve economic conditions in countries of raw material production and manufacturing as well as to minimise the negative environmental and social impacts in its supply chain (see the section on **PRO PLANET**).

Infrastructure investments and services provided

REWE Group invests in the infrastructure and services of its business locations, travel destinations and countries where special support is critically needed. In one aspect of this support, REWE Group partnered with the children's charitable group Kindernothilfe to build a school in Haiti during the reporting period. In 2014, DER Touristik helped to build and expand 12 schools in 10 countries where access to education is not always readily available. The company also joined with partners like NGOs to provide a total of 1,900 children with the opportunity to attend school in 2014. Furthermore, DER Touristik created the non-profit organisation DER Touristik Foundation e.V. during the year. The foundation transfers all donations to relief projects. Partnerships that have been forged with organisations like the foundation Reiner Meutsch Stiftung FLY & HELP ensure that the work has a long-term impact.

On the national level in Germany, REWE Group also works on behalf of society. In one aspect of these activities, the company has been a main sponsor of more than 900 Tafeln food banks and the food bank's umbrella organisation, the Bundesverband Deutsche Tafel e.V., for more than 18 years. Such support is provided to similar organisations in other countries, including the Vienna Tafeln food bank in Austria.

toom Baumarkt DIY stores are also establishing long-range partnerships with Lebenshilfe, an organisation that helps people with disabilities, across Germany. This work includes joint projects conducted by toom employees and people with disabilities as well as trainee days for handicapped employees of Lebenshilfe workshops. In this effort, toom Baumarkt DIY stores are encouraging interaction and removing barriers. At the same time, the projects enable people with disabilities to play an even more active role in the daily work world. More than 20 toom Baumarkt DIY stores across Germany have initiated partnerships with the organisations of Lebenshilfe.

Indirect economic impacts

With its approximately 15,000 stores and travel agencies, REWE Group has created about 330,000 jobs in many communities both 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, REWE Group generates important momentum for the development and growth of the regions where its stores do business.

REWE Group is also a charter member of the animal welfare organisation Initiative Tierwohl. The more than 5,500 REWE and PENNY stores operated by the company work on the group's behalf. The organisation strives to further increase the standards that apply to poultry and pork farming across Germany on a step-by-step basis. Ultimately, these standards should exceed legal regulations. To support this effort, REWE Group began on 1 January 2015 to contribute four cents of every kilogram of pork it sells into an animal welfare fund it has set up. Over the next three years, all companies that are part of this alliance will pay about 255 million euros into this voluntary industry-wide programme.

REWE Group is also a partner in the initiative Cotton made in Africa (CmiA). This organisation strives to enable cotton farmers to have a secure, independent existence. As part of this programme, farmers learn about efficient, environmentally conscious farming methods. In addition, the initiative's partners support the marketing of the cotton grown by these farmers.

In the case of the critical raw material cocoa, REWE Group acted as a driving force behind the establishment of the German Initiative on Sustainable Cocoa (GISCO). One focus of the initiative's work is aimed at fuelling the sectoral use of more sustainable cocoa. Starting in 2015, this forum joined forces with other partners to introduce a training concept for approximately 20,000 cocoa farmers in Ivory Coast that is designed to create the conditions needed for more sustainable cocoa cultivation practices in the world's largest farming country.

REWE Group is also the initiative partner of the Forum for Sustainable Palm Oil (FONAP). The initiative's aim is to promote the use of certified palm oil and a complete conversion of the sector. As part of this effort, members of the forum pledged to use only sustainably produced palm oil by the end of 2014. This objective was further strengthened at the end of 2014 with the passage of a new pledge.

Aspect: Procurement Practices

Management approach: REWE Group stands for fresh, high-quality food. Local and regional producers play a particularly important role in the company's business. To consumers, this group of suppliers also represents freshness, short transport distances, trustworthy production and support of local economies. REWE Group is responding to their desire by planning to increase the share of products delivered by local and regional suppliers in its range. To achieve this goal, the company is working to establish long-term relationships with local and regional suppliers and to underscore the special quality of these products for consumers in a transparent, eye-catching manner.

The company has also created the REWE Regional brand name across Germany to clearly identify these products. As another way of promoting regional products, REWE Group is a charter member of the Trägerverein Regionalfenster e.V., which was established in 2012. Following a test phase in February 2013, REWE Group began to apply the group's regional window concept in 2014 in PENNY and REWE stores. The label provides consumers with verified information about the origin of ingredients and the place of processing. In this manner, the regional window creates transparency for customers that complements store-brand-specific information.

A total of six locality officers at the company establish contacts between REWE stores and local producers and suppliers. These officers perform such jobs as attending locality conferences where suppliers can present their goods.

Proportion of spending on local suppliers

REWE Group defines regional suppliers as those individuals who are included in one of various regional concepts. Regions can be a German state (like North Rhine-Westphalia), a traditional region (like the Franconia region in northern Bavaria) or topographical region (like Lake Constance). At PENNY, regional fruit and vegetables are identified by the German state or the agricultural or "pleasure region" like the Oldenburger Münsterland area of northwestern Germany.

The REWE Regional label is used in REWE stores across Germany (see table).

REWE Regional	2012	2013	2014
REWE stores that sell REWE Regional items	3,046	3,042	3,369
Customer contacts (projection) ¹	32,665,765	54,954,213	65,580,860
Sales value (gross)	42,391,222	93,806,182	113,031,937
Number of products ²	165	220	262

¹ Full-year projection

² Applies only to products of which more than 200 items were sold

Locality refers to suppliers who are usually small or to direct sellers of agricultural products who come from the immediate area of a store. One successful example of the promotion of local suppliers is the REWE Landmarkt (country store) concept in the Region Middle. Farmers in the central German organisation Vereinigung der Hessischen Direktvermarkter e.V. (VHD) sell their products under this name. The number of stores that sell more than 2,800 Landmarkt products rose constantly between 2010 and 2014. In 2010, 86 stores were part of the programme. The number had risen to 136 by 2012. The figure had risen even farther, to 214, by the end of 2014. Another locality concept is called Aus Liebe zur Heimat (For the Love of Home). More than 1,000 products from local suppliers are marketed under this name. In addition, some retailers have created their own regional product ranges. In the 13 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).

In Austria, an array of regional concepts is also being employed. In 2010, the A+A label began to be used. It identifies products that are entirely produced and processed in Austria and that use only ingredients from Austria (a deviation of 2 per cent is permitted to address such issues as the use of spices). A+A is used in BILLA and PENNY stores in Austria.

Austria: Regional concept A+A	2012	2013	2014
Stores that sell A+A products ¹	1,327	1,342	1,356
Customer contacts ² (projection)	947,466,021	963,865,792	942,984,781

Sales value (gross)	1,219,269,907	1,281,545,129	1,276,473,584
Number of products³	5,056	5,117	5,086

¹ Only BILLA and PENNY in Austria

² Full-year projection

³ Only products that produce more than 100 euros in revenue annually

Since September 2014, another regional concept for fruit and vegetables has been used in the stores of BILLA, MERKUR and ADEG. It is called 'Da komm ich her' (I'm from Here). The 80 fruit and vegetable products offered in this programme are sold on a seasonal and regional basis. In 2014, 1,615 stores were part of the programme, and the products generated more than 14 million customer contacts.

Under the PENNY store brand 'Ich bin Österreich' (I'm Austria), products that are made according to typical Austrian recipes and containing only Austrian ingredients are sold. At the end of 2014, the range had 258 products. The total was 203 in 2012 and 2013. The number of PENNY stores that sell these products totalled 279 in 2012, 282 in 2013 and 286 in 2014. The products generate more than 17 million customer contacts a year. The company is currently considering an expansion of the store brand to dairy products.

Aspect: Materials

Management approach: In its **Guidelines for Sustainable Business Practices**, REWE Group had committed itself to the efficient use of the natural resources soil, air and water as well as of raw materials and fuels. A significant amount of resources used by the company is consumed during the production and utilisation of the products sold by the company. In this area, REWE Group takes steps related to products and raw materials, including efforts conducted as part of PRO PLANET projects (**see aspect Procurement Practices**).

The pillars of sustainability Energy, Climate and the Environment focus in essence on environmentally relevant activities that lie in their individual areas of responsibility. These include: the construction and operation of stores, warehouses, administration offices, production sites, logistics operations, resources and materials needed for the company's business needs. In these areas, REWE Group strives to sparingly use resources and to increase the amount of recycled and sustainable materials it employs. This effort includes activities to reduce greenhouse gas emissions, energy-efficiency programmes and water-saving equipment in stores as well as waste and recycling management. In its logistics operations, the company uses reusable containers to prevent waste from being created in the first place. Rubbish that is produced is systematically recycled with the help of disposal partners. With its Green Building stores built according to the DGNB standard, REWE Group has developed a comprehensive concept covering the use of resources. This concept requires that environmentally conscious, durable and easily recyclable building materials be used. As part of this sustainability strategy, the company is making a transition to more environmentally conscious paper.

For information about management, see the management approach under the aspect "Energy".

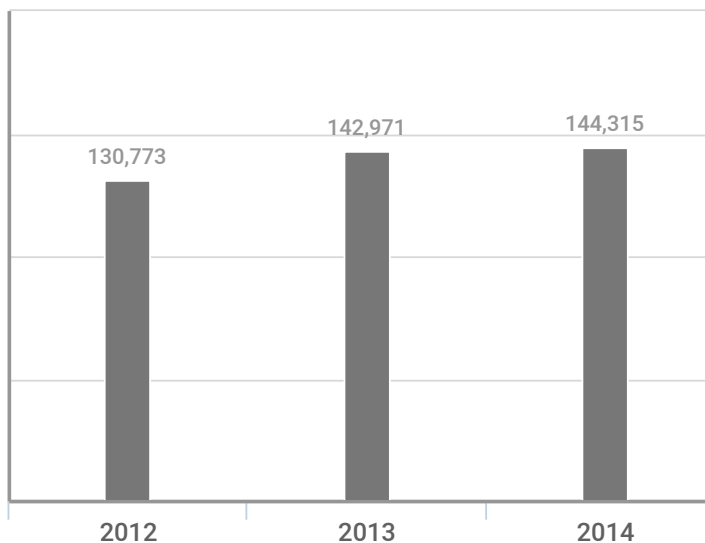
Also contains information about G4-22

Materials used by weight or volume

As a trade and tourism company, REWE Group uses resources like energy, water and wood to make products, advertise them and offer them to customers. REWE Group sells both brand name and store brand products that are largely made by external companies. No comprehensive information is compiled about the amounts of raw materials, packaging materials and process energy that are used in these companies' production operations.

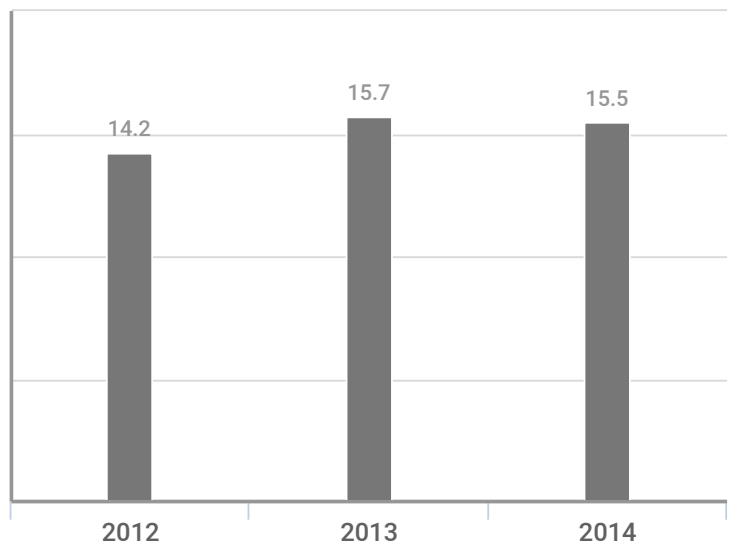
In the phases of the value chain that lie in its own area of responsibilities, the company focuses in particular on using and promoting recycling materials and more sustainable construction materials in addition to energy-efficiency management. Paper is a key resource for a trade and tourism company, one that plays a major role particularly in product advertising. Total paper consumption by REWE Group rose from about 131,000 tonnes in 2012 to nearly 144,000 tonnes in 2014. About 85 per cent of paper consumption, or around 122,000 tonnes, is attributed to the production of flyers. The primary reason for the rise in paper consumption was increased advertising conducted in the competition for customers. This increase was reflected in the higher print runs of products like flyers, catalogues and company publications.

Absolute paper consumption (t)



■ Paper consumption

Specific paper consumption (kg/m²)



■ Specific paper total per square metre of sales area (kg/m²)

Area of application: REWE Group stores, including partner retailers. Units that are no longer part of REWE Group were excluded: consumer electronics, Kressner and Full-Range Stores Italy. As part of an improved data collection process, the totals for office and business paper were modified, and paper consumption for 2012 was adjusted downwards.

Percentage of materials used that are recycled input materials

Paper is a key resource that all business fields of REWE Group use in large amounts. In response, 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. In 2009, the company began to make a transition to more environmentally conscious paper, a key component of its sustainability strategy. This effort focuses on using recycled paper (with or without the German environmental seal Blauer Engel) and paper from sustainable forestry that has been certified by the Forest Stewardship Council® (FSC®) or the Programme for the Endorsement of Forest Certification Schemes (PEFC™).

REWE Group increased the share of more environmentally conscious paper in its total paper usage from 92.5 per cent in 2012 to 95.8 per cent in 2014. Compared with 2008, the total has risen by 67 percentage points (from 29 per cent to 95.8 per cent). The share of recycled paper among environmentally conscious paper totals 80 per cent.

The job of recycling plastic creates a major challenge. REWE Group promotes recycling of plastics by separating packaging waste in stores and warehouses and by using recycled plastics. Working with its suppliers and other partners, toom Baumarkt DIY stores have developed packaging made of nearly 100 per cent recycled plastic. As a member of the Recyclat Initiative, REWE Group and other partners won the ECR Award in 2014 for using plastic waste collected from private households in Germany to produce containers for washing-up liquid.

Share of more environmentally conscious paper (%)

2012	2013	2014
92.5%	97.5%	95.8%

Area of application: REWE Group stores, including partner retailers. Units that are no longer part of REWE Group were excluded: consumer electronics, Kressner and Full-Range Stores Italy.

Aspect: Energy

Management approach: REWE Group has set the goal of continuously reducing its energy consumption per square metre of sales area. The foundation of REWE Group's systematic energy-efficiency activities is the group-wide energy management system that the company has been applying since 2008 in conjunction with Energie-Handels-Gesellschaft (EHA) of Hamburg. In addition, energy managers in the strategic business units analyse energy consumption and develop measures to lower it. During the reporting period, this systematic approach was intensified with the addition of 10 new energy managers. REWE Group has defined the following KPI for electricity consumption:

- lowering electricity usage per square metre of sales area (as measured in kWh/m²) by 7.5 per cent between 2012 and 2022.

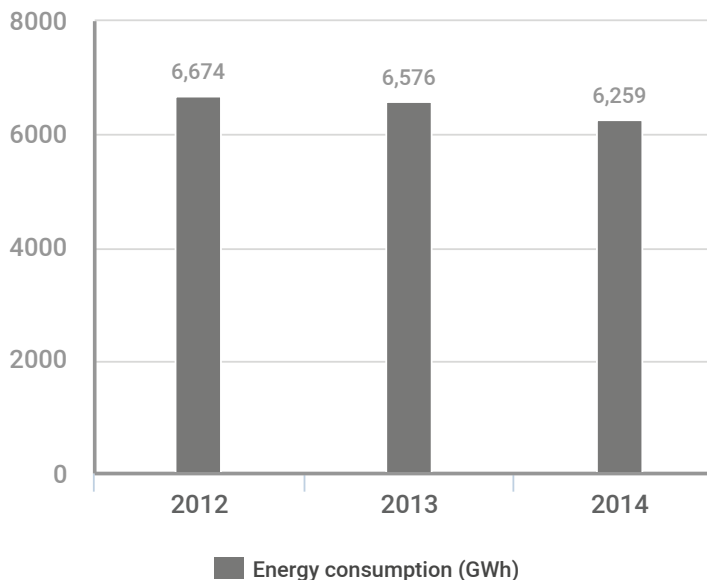
In the first stage of this effort, the company lowered this specific energy consumption level in Germany and Austria by 4 per cent between 2012 and 2014. For other goals and management actions, see the management approach under the aspect "Emissions".

Energy consumption within the organization

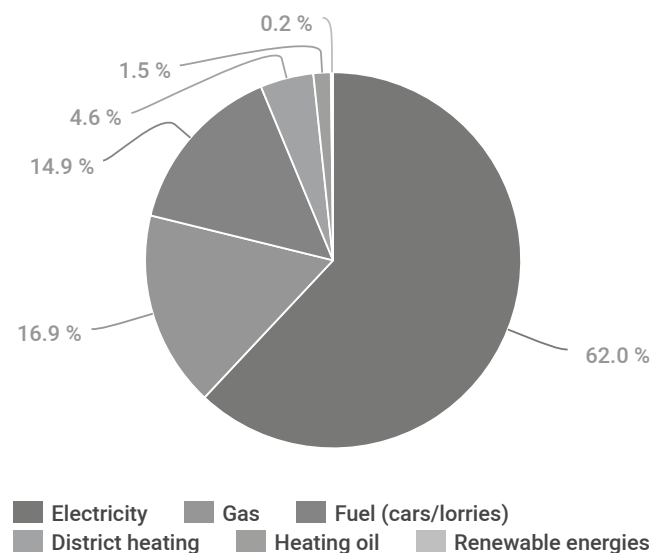
Energy consumption involves electricity, especially the power used for refrigeration and lighting purposes, and the fuel consumed to transport products from warehouses to stores. This part of logistics is a category that the company can influence directly. As a result, consumption by the group's own vehicles as well as those of external service providers in Germany and Austria is addressed here.

Energy usage by REWE Group fell by about 6 per cent between 2012 and 2014. The largest amount of consumption was attributed to electricity at about 62 per cent. It was followed by natural gas (17 per cent) and fuel for cars and trucks (15 per cent). The decline in electricity consumption largely resulted from optimising refrigeration, climate and lighting systems. The use of heat energy was lowered by using more efficient heating systems in stores. The mild winters in 2013 and 2014 played a role in this reduction as well (see G4-EN6).

Energy consumption within the organisation (GWh)



Energy consumption within the organisation Consumption share 2014



Energy consumption within the organisation in GWh

	2012	2013	2014	Change 2013-2012		Change 2014-2013	
	Total	Total	Total	Total	%	Total	%
Electricity	3,956	3,902	3,880	-53.9	-1.4%	-22.8	-0.6%
Heating oil	125	122	94	-3.0	-2.4%	-28.2	-23.1%
Gas	1,320	1,258	1,055	-61.9	-4.7%	-202.9	-16.1%
Renewable energies	8	12	11	3.9	47.7%	-1.0	-8.1%
District heating	304	326	287	22.4	7.4%	-38.7	-11.9%
Fuel (cars/lorries)	961	956	932	-4.9	-0.5%	-23.7	-2.5%
Total	6,674	6,576	6,259	-97.3	-1.5%	-317.3	-4.8%

Energy consumption outside the organisation

Energy consumption outside the organisation is not comprehensively tracked because most of the usage is generated in the supply chain and during the manufacture of brand name and store brand products. It is not possible for REWE Group to compile such information at a reasonable cost.

Energy intensity

Specific energy consumption (energy consumption per square metre of sales area) fell during the reporting period, dropping by 8.4 per cent from 2012 to 2014. The types of energy included in the figure are electricity, renewable energy, natural gas, heating oil, district heating, solar energy, geothermal energy and liquefied natural gas.

Energy intensity

	Unit	2012	2013	2014	Change 2013-2012	Change 2014-2013
Absolute energy consumption	in GWh	5,712.9	5,620.3	5,326.2	-1.6%	-5.2%
Energy consumption per square metre of sales area	in kWh/m ²	525.4	519.3	481.1	-1.2%	-7.4%

1 TJ = 0.2778 GWh, 1 MJ/m² = 0.2778 kWh/m²

Area of application: REWE Group stores, including partner retailers. Units that are no longer part of REWE Group were excluded: consumer electronics, Kressner and Full-Range Stores Italy.

Also contains information about G4-EN3

Reduction of energy consumption

To systematically save electricity and reduce emissions, the company monitors electricity and gas consumption in its stores with the help of Hamburger Energie-Handels-Gesellschaft (EHA). Among other steps, the monitoring platform FRIGODATA ONLINE is used in more than 3,000 stores of REWE Group. With its help, the company can check stores' temperature and energy data in real time as part of a process that makes their consumption more transparent and comparable. On the basis of the data, the energy managers of REWE Group examine current and planned consumption levels and then propose optimisation recommendations. Such recommendations include improving refrigerating units, reducing cooling losses, using energy efficient lighting or replacing pumps and the control systems used in heating units.

Another step being taken to reduce energy consumption is the Mobility Budget that replaced the Company Car Policy in 2014. Employees entitled to company cars can now flexibly use their budget and individually design it by doing such things as selecting a smaller model and investing the remaining budget in various other components. Users of electric vehicles receive a monthly bonus of 150 euros for their Mobility Budget. For initiatives in the area of product usage, transport and logistics, see [G4-EN7](#) and [G4-EN30](#).

Steps to lower electricity usage

Steps	Reduced electricity consumption (GWh)	
	2013	2014
Upgrading of refrigeration units and reduction of cooling losses	32.37	26.42
Energy-efficient lighting, optimised light management, reductions of turn-on times	5.86	11.27
Measures taken as part of the introduction of energy management systems in production	0.12	1.62
Replacement and optimisation of pumps and the control systems used in heating units	0.07	0.08
Replacement of charging devices for forklifts	0.02	0.08
TOTAL SAVINGS	38.43	39.39

1 TJ = 0.2778 GWh

Area of application: REWE Group Germany and Austria (REWE VS; REWE Lager; Penny; Penny Lager; toom Baumarkt DIY stores; head office; REWE intern. (Austria); RIS Glockenbrot; Brandenburg)

Also contains information about G4-EN6

Reductions in energy requirements of products and services

With its large number of sustainably designed stores, REWE Group has set the pace in energy efficiency. The first REWE Green Building in Germany was opened in 2009 in Berlin. It was the first supermarket in the country to be honoured by the German Sustainable Building Council. Thanks to such steps as daylight architecture, energy-saving building techniques and the best insulation, a Green Building uses up to 40 per cent less energy than a standard supermarket does. By the end of 2014, about 30 REWE stores, four toom Baumarkt DIY stores, a warehouse and a PENNY store in Offenbach had been built with the Green Building concept. More than 60 others are being planned.

In addition, REWE Group is helping to protect the climate by selling energy efficient products in its DIY stores. The company's Travel and Tourism Division is also committed to offering the most sustainable trips possible to its customers. To raise hotel partners' awareness levels about the issue, DER Touristik has developed guidelines on sustainable business management practices that focus on energy and conservation of resources. The tour operators of DER Touristik help their environmentally conscious customers to plan their trips by highlighting sustainably managed hotels with selected, externally issued sustainability seals in their catalogues.

Aspect: Water

Management approach: See the management approach under the aspect "Materials".

Total water withdrawal by source

REWE Group uses water in its stores, production sites, warehouses and administration locations. Water-saving equipment is employed to keep the use of potable water as low as possible.

Almost all water used by the company is obtained from public waterworks – with the exception of the rainwater used by some Green Buildings. Absolute water usage rose slightly from about 5.98 million cubic metres (m^3) in 2012 to 6.1 million m^3 in 2014. Specific water consumption per square metre of sales area was nearly unchanged at $0.56 \text{ m}^3/\text{m}^2$ compared with 2012 ($0.55 \text{ m}^3/\text{m}^2$).

A bigger role is played by water withdrawal and disposal in the production of more sustainable products. In this area, REWE Group conducts product-related projects in its supply chain.

DER Touristik examines the occasionally high water consumption of hotels in the environment brochure "Das Ferienhotel – mit ökologischer und sozialer Verantwortung zum Erfolg" (The Holiday Hotel – Achieving Success Through Environmental and Social Responsibility). Contract partners learn about responsible approaches to water and receive practical tips about lowering usage. Issues addressed include technical conservation steps as well as the use of process water and rainwater.

Water resources significantly affected

REWE Group obtains its water exclusively from public waterworks. At its Green Building locations, the company actively recovers and reuses water. In addition, the increased use of rainwater storage areas (swales) or of partially sealed parking places facilitates the infiltration of rainwater and thus the return of the water to natural cycle of circulation.

Water recycled and reused

The recovery and recycling of water do not play an important role in the business activities of REWE Group. Recycled water is not permitted to be used in the preparation of foods, for instance. In consideration of the relatively small amounts of water used by administration offices, stores, logistics warehouses and production sites, operating the company's own water processing system would make little sense from an environmental or efficiency point of view.

Aspects: Emissions

Management approach: REWE Group understands its responsibility for the climate: A large portion of global CO₂ emissions is created during the production and consumption of products as well as the provision of services. For this reason, REWE Group has made energy conservation and the avoidance of climatically harmful emissions a high priority. And this issue will become even more important as energy prices rise. Key challenges to be faced by REWE Group in future include cutting energy consumption while addressing rising needs in the areas of freshness and convenience, work that will require increased transports and refrigeration.

The strategic goal will be to make an active contribution to climate and resource protection or, at the very least, to keep impacts on the climate and environment to a minimum. This commitment is clearly spelled out in **the Guidelines for Sustainable Business Practices** of REWE Group. In 2009, REWE Group set the goal of reducing its greenhouse gas emissions per square metre of sales area by 30 per cent by 2015 compared with the base year 2006. As a result of the strides made in this effort, the company modified the goal before it reached the target date. In the summer of 2013, it set a more demanding climate goal of cutting specific greenhouse gas emissions in half by 2022 compared with the basis year 2006.

In addition to setting the overarching climate goal, REWE Group has defined two KPIs that will be used to monitor measures to achieve energy efficiency and to reduce greenhouse gas emissions:

- Lowering electricity usage per square metre of sales area (as measured in kWh/m²) by 7.5 per cent between 2012 and 2022 and
- Reducing refrigerant-related greenhouse gas emissions per square metre of sales area (in kilograms of CO₂ equivalent/m²) by 35 per cent between 2012 and 2022

The KPIs focus on activities in energy, climate and the environment. These are areas where significant levels of consumption occur and where REWE Group can have a direct impact by taking its own measures: energy efficiency (lighting and refrigeration) and refrigerant-related greenhouse gas emissions.

Each strategic business unit and holding area in Germany and Austria have been given a specific and binding target to reach. The investments that must be made in new technologies and processes to achieve this goal are determined by the strategic business units and the holding areas themselves. On the basis of this work, steps for future reporting periods are coordinated. The progress made towards reaching the goals and the impact of the measures are reviewed annually.

The management of all areas of activity is conducted by the project group Energy, Climate and the Environment. All strategic business units and relevant holding areas are represented in the group.

To document the progress being made in climate protection and to facilitate the monitoring of the

emission-reducing steps, REWE Group has hired independent experts to prepare an annual carbon footprint report¹ since 2009. During the reporting period, this report was prepared by INFRAS AG and the Österreichische Umweltbundesamt GmbH.

¹ New public emission factors were added during the reporting period. As a result, the data in the carbon footprint report have changed in comparison to previous years. In 2013, emission factors for electricity in Germany for 2011 and 2012 were modified. This resulted in a retroactive adjustment in the amount of greenhouse gas emissions and an upward revision of them. In addition, new emission factors for paper were issued in 2013. These factors are up to 50 per cent higher than the ones applied in the past.

As in previous years, the IT tools GEMIS (Global Emissions Model for Integrated Systems) and TREMOD-Transport Emission Model were used to determine the CO₂ equivalent emission factors.

CO₂ emissions were calculated in accordance with the GHG Protocol whereby the Scope 2 Guidance GHG Protocol hasn't yet been applied.

Also contains information about G4-22

Direct greenhouse gas (GHG) emissions

At the beginning of 2008, REWE Group started to use only certified green power. New renewable production systems play a particularly important role in the reduction of greenhouse gas emissions. For its electricity products, REWE Group takes steps to ensure that 25 per cent of the units are less than three years old. In addition, it has added an obligation in contracts that is designed to ensure that the expansion of new renewable energy units moves forward.

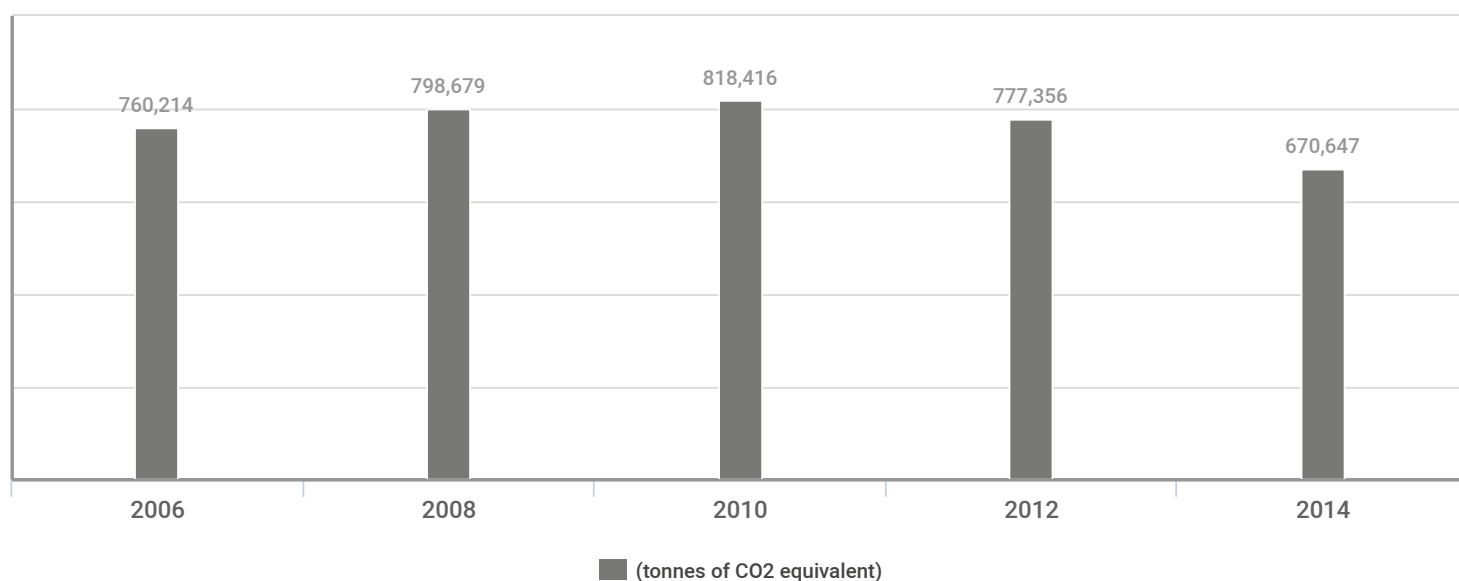
In determining its carbon footprint, REWE Group consciously decided to take a conservative approach: Only the 25 per cent of green power from the new units was used as a minimising factor in the carbon footprint. The other 75 per cent was included in the Germany-wide electricity mix.

Greenhouse gas emissions broken down by scope (tonnes of CO₂ equivalent)

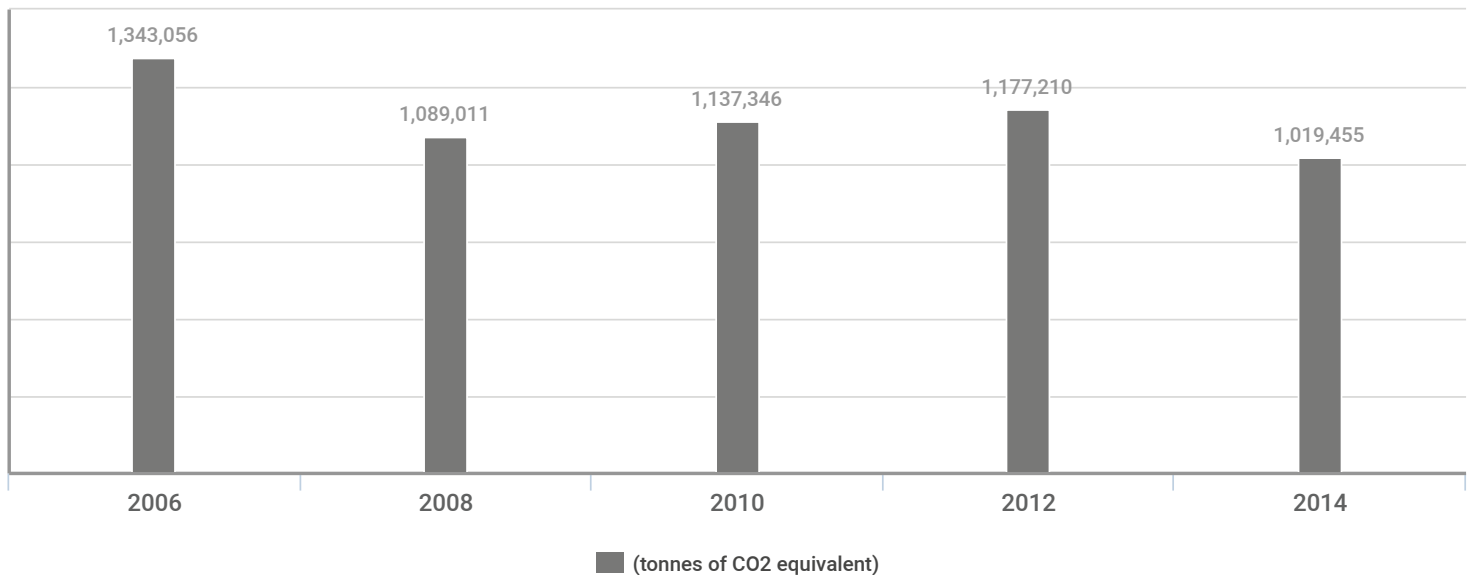
	2006	2008	2010	2012	2014	Change 2006- 2014
G4-EN15: Direct greenhouse gas emissions (scope 1)	760,214	798,679	818,416	777,356	670,647	-12%
G4-EN16: Indirect energy-related greenhouse gas emissions (scope 2)	1,343,056	1,089,011	1,137,346	1,177,210	1,019,455	-24%
G4-EN17: Other indirect greenhouse gas emissions (Scope 3¹)	270,607	315,580	413,999	408,657	433,703	60%
Total	2,373,876	2,203,270	2,369,761	2,363,223	2,123,806	-11%

¹ Indirect greenhouse gas emissions from the production of energy and paper as well as the emissions associated with purchased services from third party service providers (such as third-party logistics, air and rail travel, car hire)

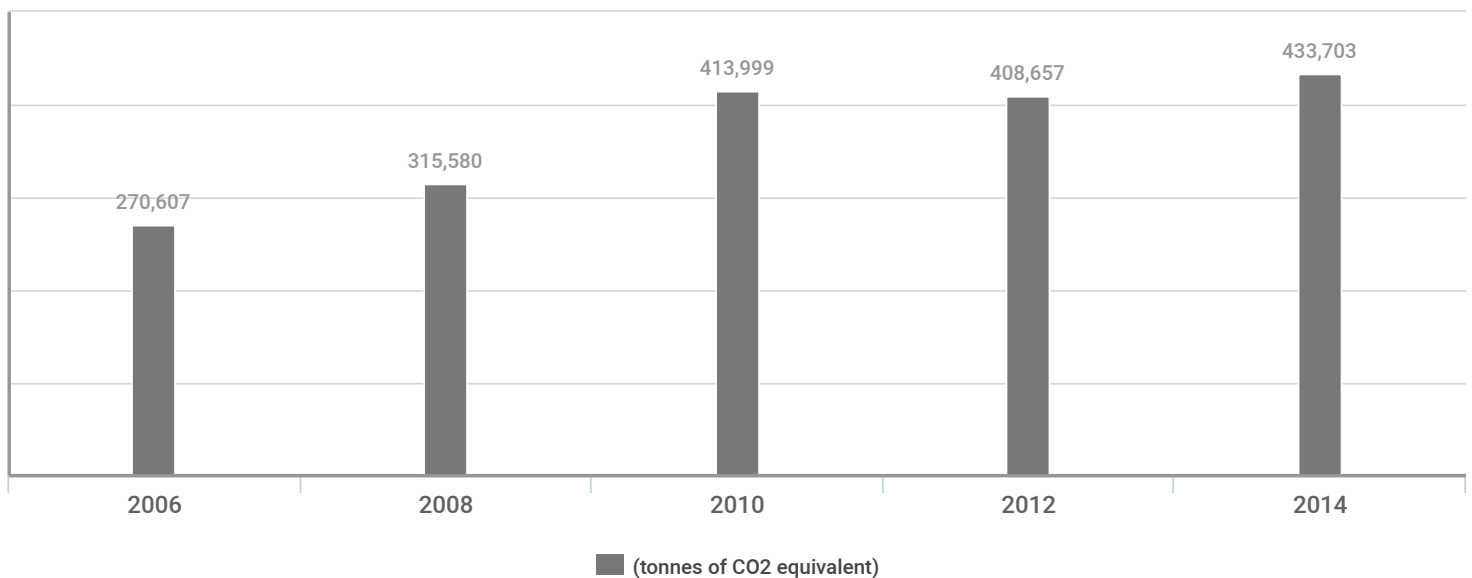
Direct greenhouse gas emissions (scope 1)



Indirect energy-related GHG emissions (scope 2)



Other indirect GHG emissions (scope 3)



Newly released emission factors were used to determine the levels of greenhouse gas emissions. In addition, units that are no longer part of REWE Group were factored out to enhance comparability. As a result of both actions, the levels of greenhouse gas emissions have changed since the previous report.

Area of application: The indicator was applied to the entire REWE Group Germany and Austria, including partners. The units of consumer electronics and Kressner were not included because they are no longer part of REWE Group.

Energy indirect greenhouse gas (GHG) emissions

See G4-EN15

Other indirect greenhouse gas emissions

See G4-EN15

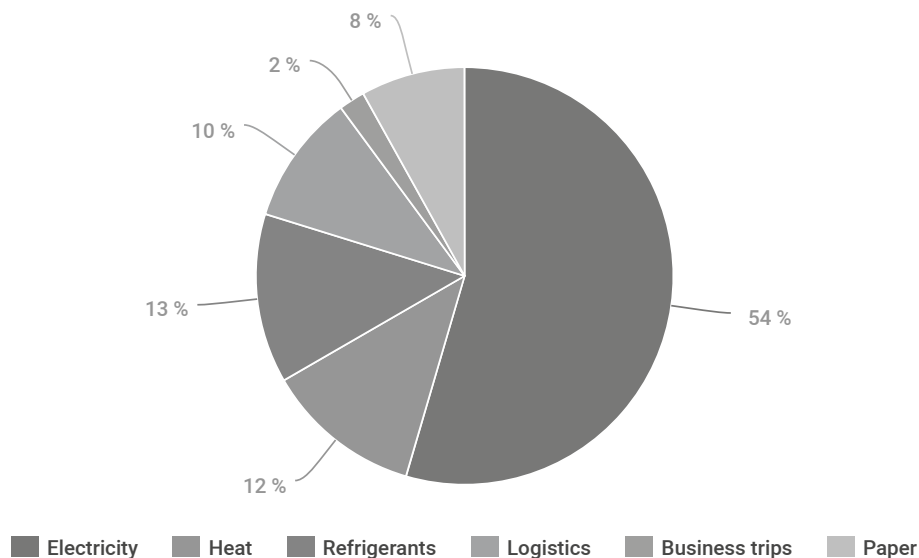
Greenhouse gas (GHG) emissions intensity

During the reporting period, both the absolute and the specific greenhouse gas emissions (per square metre of sales area) of REWE Group decreased. Specific greenhouse gas emissions totalled 253 kilograms of CO₂ equivalents per square metre in 2012 and fell to 224 kilograms of CO₂ equivalents per square metre in 2014. Compared with the base year 2006, specific greenhouse gas emissions fell by 36 per cent in 2014. The calculation of emission intensity comprises direct and indirect energy-related emissions as well as other indirect emissions (Scopes 1, 2 and 3).

Greenhouse gas emissions

	Unit	2006	2008	2010	2012	2014
Absolute greenhouse gas emissions	t of CO ₂ equivalent	2,373,876	2,203,270	2,369,761	2,363,223	2,123,806
Specific greenhouse gas emissions per square metre of sales area	kg of CO ₂ equivalent/m ²	350	270	265	253	224
Achieved savings of specific greenhouse gas emissions since the base year 2006	%		-23	-24	-28	-36

Share of greenhouse gas emissions in 2014 by originator group (scope 1-3)



Area of application: REWE Group Germany (with green power) and Austria including partner retailers. Units that are no longer part of REWE Group were excluded: consumer electronics, Kressner and Full-Range Stores Italy.

Reduction of greenhouse gas (GHG) emissions

REWE Group has launched a variety of electricity-saving initiatives designed to reduce greenhouse gas emissions (see **G4-EN6**). As a result of these efforts, about 11,400 tonnes of CO₂ equivalents were saved in 2013 and 11,800 tonnes were saved in 2014. The reduction involved direct and indirect energy-related emissions as well as other indirect emissions (Scopes 1, 2 and 3).

Steps to lower CO₂ emissions ¹

Steps	Savings CO ₂ e (t)	
	2013	2014
Upgrading of refrigeration units and reduction of cooling losses	9,672	7,537
Energy-efficient lighting, optimised light management, reductions of turn-on times	1,629	3,582
Measures taken as part of the introduction of energy management systems in production	57	662
Replacement and optimisation of pumps and the control systems used in heating units	30	34
Replacement of charging devices for forklifts	10	2
TOTAL SAVINGS	11,398	11,817

¹ The basis for the calculation is the electricity-saving initiatives used for EN6

Area of application: REWE Group Germany and Austria (REWE VS; REWE Lager; Penny; Penny Lager; toom Baumarkt DIY stores; head office; REWE intern. (Austria); RIS Glockenbrot; Brandenburg)

Emissions of ozone-depleting substances (ODS)

In recent years, REWE Group has systematically cut back on its use of ozone-depleting substances – since 2006 by about 80 per cent. The chief reason for this decline was the legally mandated replacement of the refrigerant R22 with such non-ozone-depleting refrigerants as R404A, R134a and NH3. In 2012, the total amount of emissions of ozone-depleting substances from refilled refrigerants was 443 kilograms of CFC 11 equivalents and 348 kilograms in 2013. By 2014, the total had been cut to 80 kilograms of CFC 11 equivalents.

Emission of ozone-depleting substances by weight (kg)

	Unit	2012	2013	2014
Total emissions of ozone-depleting substances from refilled refrigerants	kg of CFC 11 equivalents	443	348	80

Area of application: REWE Group Germany and Austria including partner retailers. Units that are no longer part of REWE Group were excluded: consumer electronics, Kressner and Full-Range Stores Italy.

NO_x, SO_x and other significant air emissions

The airborne pollutants associated with the business activities of REWE Group are primarily caused by the upstream combustion and production processes used to produce electricity, heat and paper. In addition, emissions generated by refrigerants, logistics and business trips have an impact on air quality.

With the exception of particulate matter, REWE Group slightly decreased significant air emissions from 2012 to 2014. The chief reasons for this decline were energy efficiency programmes, the upgrading of the vehicle fleet used in logistics and reduced use of heat in 2014.

Air emissions including upstream chains (t)

	2012	2013	2014
NO _x	3,287	3,230	3,036
SO _x	1,492	1,598	1,541
Fine particulate matter (particle <10 µm)	247	279	287
Non-methane volatile organic compounds	367	359	353

Area of application: REWE Group Germany and Austria including partner retailers. Units that are no longer part of REWE Group were excluded: consumer electronics, Kressner and Full-Range Stores Italy.

Aspect: Effluents and Waste

Management approach: See the management approach under the aspect "Materials".

Abwassereinleitung nach Qualität und Einleitungsort

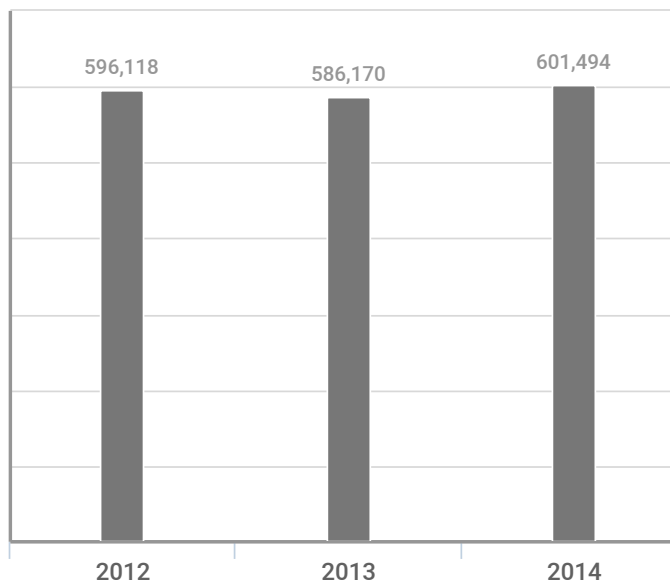
REWE Group obtains its water exclusively from public waterworks. The company does not introduce its wastewater directly into any body of water. Instead, its business locations direct it into normal public and private wastewater treatment systems. A bigger role is played by water withdrawal and disposal in the production of products. In this area, REWE Group conducts product-related projects in its supply chain (see **G4-EN8**).

Total weight of waste by type and disposal method

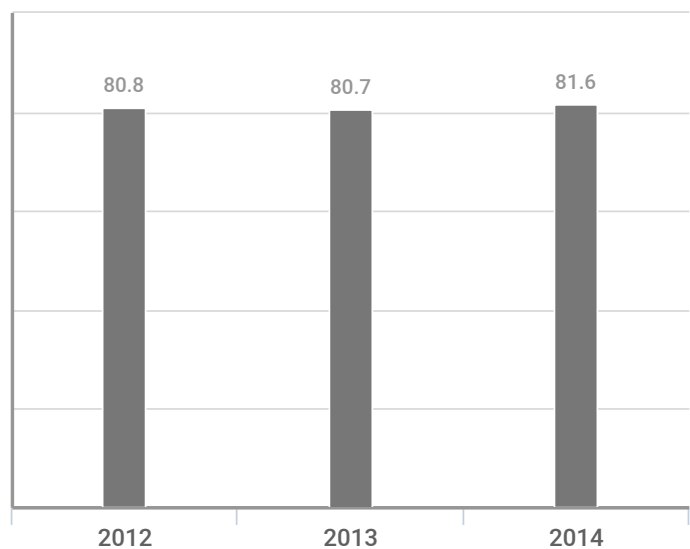
REWE Group systematically pursues a programme of recycling with its disposal partners. In particular, this commitment is seen in the percentage of material and thermal reutilisation of non-hazardous waste. In 2008, this rate was more than 90 per cent. Since 2012, it has remained relatively constant at more than 95 per cent. Nearly all paper, cardboard and boxes are recycled. This group makes up the largest share of all waste at 44.2 per cent. A large amount of plastics, metals, glass, construction waste 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.

The amount of non-hazardous waste in the company group in Germany and Austria totalled slightly more than 600,000 tonnes in 2014. Hazardous waste, in particular certain types of used electric equipment, oils, vehicle batteries and fluorescent lamps, made up only a small portion of overall waste during the reporting period with an absolute total of 1,300 tonnes to 1,700 tonnes. Compared with non-hazardous waste, the amount of hazardous waste totalled significantly less than 1 per cent.

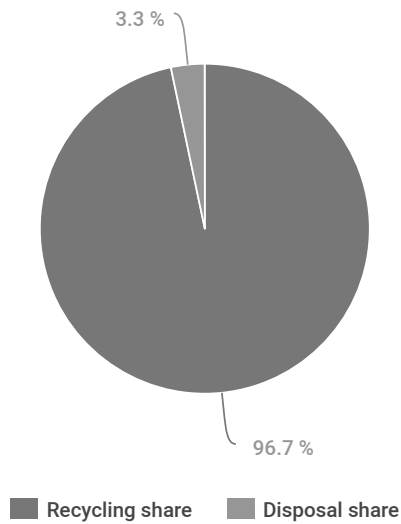
Non-hazardous waste



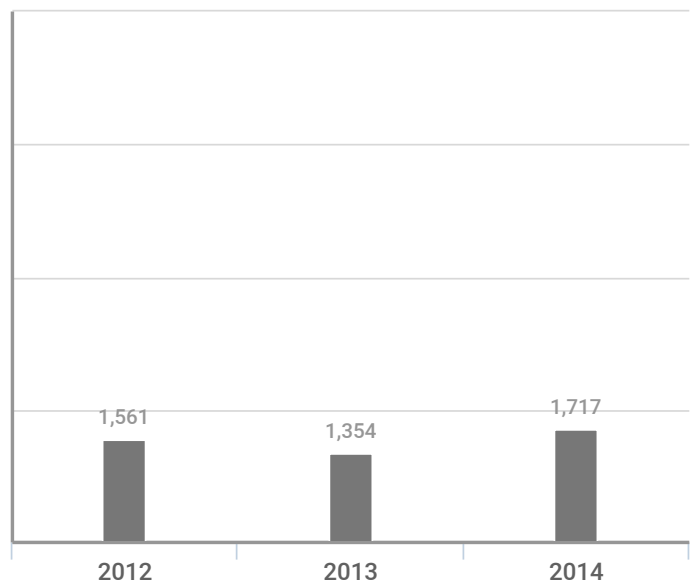
Non-hazardous waste - specific volume per square metre of sales area (kg/m²)



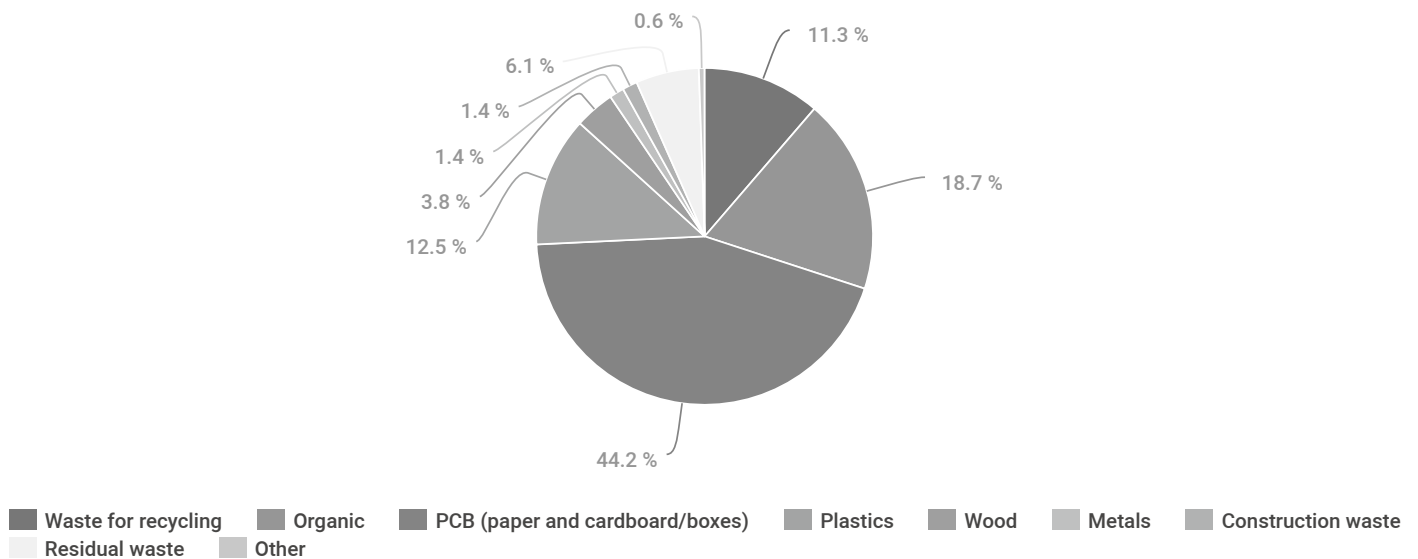
Non-hazardous waste 2014 - recycling rate (%)



Hazardous waste



Non-hazardous waste



Area of application: REWE Group Germany and Austria. Units that are no longer part of REWE Group were excluded: consumer electronics, Kressner and Full-Range Stores Italy.

Total number and volume of significant spills

The company knew of no significant pollutants during the reporting period.

Handling of hazardous waste

The indicator is not relevant to a trade company that is involved in the food retailing business. Licensed disposal companies pick up the small amounts of hazardous waste that are produced and process it in accordance with legal requirements.

Water bodies significantly affected by discharges of water and runoff

See **G4-EN22**

Aspect: Products and Services

Management approach: REWE Group plans to continuously expand its range of more sustainable products and services, and create a place for them in the mass market. As part of this effort, the company has developed the PRO PLANET process, a concept that was developed for foods, near- and non-food products as well as travel and tourism services. A modified process was developed in 2014 for products that toom Baumarkt DIY stores sell under the PRO PLANET name. This process addresses the needs of the complex value chains of DIY store products. In the PRO PLANET process, hot spot analysis is used to identify the adverse environmental and social impacts in the life cycle. On the basis of these findings, measures are selected, examined during a feasibility study and then implemented. Products that already have received established labels can also be given the PRO PLANET label. Here, additional steps that extend beyond co-labelling are frequently taken. The entire process is supported by an independent group: The PRO PLANET Board of Advisers consists of five autonomous NGO experts who contribute their expert knowledge and approve the issuance of the PRO PLANET label. The label informs customers about the particular feature that was improved for each product. Additional information can be obtained at **PRO PLANET** by using a code number

Another strategic goal is to increase the range of organic products. With the Guideline for Ecological Products issued in 2014, REWE Group formulated a comprehensive list of requirements related to organic store brands for supplies and companies to meet as well as created procedures to monitor products and processes (**see guideline**). In places where it is feasible, the criteria of the environmental agriculture association Naturland are applied to the organic products of REWE Group. Products with this seal meet stricter requirements than those that apply to such seals as the EU organic farming logo.

In the area of product packaging, REWE Group plans to promote recycling and the reuse of products and packaging. In a dialogue with stakeholders and during internal workshops at REWE Group, improvement potential was identified and recommendations were drawn up. These ideas were then used in the preparation of a strategic packaging guideline.

As a member of the Recyclat Initiative, REWE Group and other partners won the ECR Award in 2014 for using plastic waste collected from private households in Germany to produce containers for washing-up liquid.

Also contains information about G4-22

Mitigation of environmental impacts of products and services

The number of PRO PLANET products has risen continuously since 2010. The product category of chicken played a special role during the reporting period. The share of PRO PLANET chicken in the gross sales value of conventionally fresh chicken products rose to 95.38 per cent in 2014 (2013: 90.10 per cent). This product category had nearly 43 million customer contacts in 2014.

PRO PLANET

	2012	2013	2014
Customer contacts ¹ of PRO PLANET products (PP) Germany (G) and Austria (AU)			
PRO PLANET total (G)	388,556,590	582,072,266	662,068,981
PRO PLANET (AU)	36,414,992	44,756,712	47,693,350
Fruit & vegetables, flowers (D)	196,724,092	244,585,626	257,881,117
Fruit & vegetables, flowers (AU)	31,645,538	34,334,417	37,191,259
Chicken, fresh (G)		38,249,017	42,843,977
Number of PRO PLANET products Germany (G) and Austria (AU)			
PRO PLANET total (G)	407	557	622
PRO PLANET (AU)	119	220	251
Fruit & vegetables, flowers (D)	151	137	131
Fruit & vegetables, flowers (AU)	23	112	143
Chicken, fresh (G)		53	59
Share of gross sales value in per cent Germany (G) and Austria (AU) (%)			
PRO PLANET total (G)²	6.86 ³	10.88	12.05
PRO PLANET (AU)	0.85	1.54	1.59
Fruits & vegetables, flowers (D)	10.21	15.60	15.39
Fruit & vegetables, flowers (AU)	7.62 ³	7.89	8.78
Chicken, fresh (G)		90.10	95.38

¹ Full-year projection

²

The percentage refers to the gross sales value of the commodity group Conventional Fruits & Vegetables and Flowers, Conventional Chicken (fresh), Conventional Food (other), Near and Non Food.

³ For this figure, an adjustment has been made since the previous Sustainability Report on the basis of current data.

Area of application Germany: REWE including partner retailers, PENNY stores, toom Baumarkt DIY stores

Area of application Austria: Total food retailing (incl. PENNY and wholesale, excluding ITS and BIPA)

During the reporting period, REWE Group continued to expand its range of organic products. A continuous increase was made in the product range of REWE Markt GmbH. In addition, PENNY has increased the share of organic products in gross sales value since 2012.

Continuous growth was also seen in Austria. Since 2012, the store brand Echt B!O sold by PENNY

Austria has generated strong growth.

Organic products (share in %)

	2012	2013	2014
Organic products (Share of organic products (store brands and industry brands) in gross sales value ¹ , REWE Markt GmbH)		4.51	4.84
REWE Bio (Share of REWE Bio (store brand) in gross sales value ¹ , REWE Markt GmbH)	3.14	3.41	3.51
REWE organic fruit & vegetables (Share of REWE organic fruit & vegetables in gross sales value of fruit & vegetables, REWE Markt GmbH)	10.25 ²	10.06	9.94
PENNY B!O/Naturgut (Share of PENNY B!O/Naturgut in gross sales value ¹ , PENNY)	1.40 ²	1.70	1.64
PENNY B!O/Naturgut fruit & vegetables (Share of PENNY B!O/Naturgut in gross sales value of fruit & vegetables, PENNY)	6.23	7.36	6.96
Ja! Natürlich (Austria) (Share of Ja! Natürlich in gross sales value, Austria Full-Range Stores)	5.38 ²	5.47	5.69
Ja! Natürlich fruit & vegetables (Austria) (Share of Ja! Natürlich fruit & vegetables in gross sales value fruit & vegetables, Austria Full-Range Stores)	13.55	14.13	14.69
Echt B!O (Austria) (Share of Echt B!O in gross sales value, PENNY Austria)	0.99	1.42	1.70
Echt B!O fruit & vegetables (Austria) (Share of Echt B!O in gross sales value of fruit & vegetables, PENNY Austria)	5.86	6.38	6.68

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

² For this figure, an adjustment has been made since the previous Sustainability Report on the basis of current data.

In recent years, REWE Group has made strides in its effort to increase the percentage of recycled plastics. The toom Baumarkt DIY store sales line has continued to focus on paint. In 2011, for instance, the DIY stores began to sell their white store brand paint in containers made completely from recycled plastic. This range was expanded during the reporting period. As a result, 30 products were offered in paint containers made of recycled plastic (Procyclen®) in 2014. Beginning in January 2015, the first products made from this material were developed. REWE Group has also increased the share of recycled plastic used in the containers of washing-up liquid for the store brands sold by REWE and PENNY. In 2014, the BIPA sales line in Austria introduced a new line of cosmetics called bi:good whose packaging is made of recycled plastic and recycled cardboard.

Reclaimed products and packaging

When it comes to packaging returned to stores, trade companies have limited capacities as a result of hygienic regulations. Customers are indeed able to return outer packaging directly to the store. But the direct return of sales packaging can be done only with beverage containers. This service applies to returnable containers, something that REWE Group has offered for years. REWE Group also sells beverages in non-returnable containers. By doing so, it not only addresses customer needs, but also takes advantage of savings potential related to transport and handling.

In Germany, REWE Group accepts several 10,000 tonnes of returnable containers each year. These containers can be completely recycled as a result of their sorted condition.

Since 2012, consumers have also had the opportunity to return energy-saving lamps to toom Baumarkt DIY stores. Furthermore, REWE Group licenses its store brand products in Germany's dual system of collection and recycling. By taking this step, REWE Group ensures that packaging is collected near households and is then recycled. The recycling quota achieved with this dual system regularly exceeds the legal requirements contained in the German Packaging Ordinance.

Aspect: Compliance

Management approach: At REWE Group, environmental laws and regulations play a particularly important role in the construction and operation of stores and warehouse facilities. The company carries out these activities in accordance with legal standards. In addition, REWE Group is committed to its **Guidelines for Sustainable Business Practices** regarding environmental and resource protection and to a far-sighted analysis of environmental risks. Risk assessment and observance of laws are part of the compliance organisation (**see G4-57 and the aspect “Anti-corruption”**).

Fines and sanctions for non-compliance with environmental regulations

No significant environmental violations were reported in the reporting period.

Aspect: Transport

Management approach: See the management approach under the aspect "Emissions".

Also contains information about G4-EN30

Significant environmental impacts of transporting products

One significant and measurable environmental impact of transports is the greenhouse gas emissions produced by the combustion of fuel¹. During the reporting period, these emissions increased slightly by 1.2 per cent, rising from 215,685 tonnes of CO₂ equivalent (2012) to 218,216 tonnes (2014).

¹ Units that are no longer part of REWE Group were factored out to enhance comparability. As a result, the levels of traffic-related greenhouse gas emissions for 2012 have changed since the previous report.

Area of application: The indicator was applied to the entire REWE Group Germany and Austria, including partners. The units of consumer electronics and Kressner were not included because they are no longer part of REWE Group.

Aspect: Supplier Environmental Assessment

Management approach: As an international trade company, REWE Group obtains a large variety of products and product ingredients from countries outside the European Union. In their purchasing activities, all sales lines must obtain products at favourable terms while also ensuring that production is done in a socially and environmentally conscious manner.

The basic values contained in the **the Guidelines for Sustainable Business Practices** also apply to the business partners and suppliers of REWE Group. REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached.

REWE Group strives to make its very complex global supply chain more sustainable in cooperation with its suppliers. This is achieved in part by playing an active role in product and industry initiatives like the Social Business Compliance Initiative (BSCI), the cross-industry guidelines for raw materials and the PRO PLANET sustainability label.

Percentage of new suppliers that were screened using environmental criteria

The **Guidelines for Sustainable Business Practices** of REWE Group have one objective: to work with business partners and implement binding standards that apply to their joint supply chain. In 2013/2014, a working group developed a supplier questionnaire that addresses all 16 factors of the guidelines.

With the help of a specially developed algorithm, these factors are measured using new indicators (the public, goals, measures, measurability, area of responsibility, supply chain, certification, self-evaluation and risk assessment). The extent of sustainability for individual companies and value chain steps is then described. The validation of this approach was conducted during a pilot phase carried out in the second quarter of 2015 with 48 suppliers (food/non-food). The roll-out for other store brand suppliers is planned to start in the fourth quarter of 2015.

Significant environmental impacts in the supply chain

Based on the questionnaire concept described in EN32, REWE Group will be able to measure the degree to which the indicators have been achieved. In an additional step, plans have been made to audit 1 per cent to 2 per cent of suppliers and to validate the results. The evaluation scheme makes it possible to identify significant deviations and expresses the degree of achievement as a percentage. Steps are taken if significant deviations are found. Under initial plans, the contract partners will be informed about the corresponding issues. If necessary, steps like certification measures (including BSCI membership or participation in the GRASP module) or training will be recommended. A development plan will then be worked out with the contract partner. The objective is to jointly work on improvements and to support the suppliers' capacity-building processes.

Aspect: Employment

Management approach: Satisfied, hard-working employees form the foundation of REWE Group's long-term business success. Understanding this, the company offers attractive and fair working conditions to its employees. These conditions include fair pay, additional company benefits that extend beyond the level of negotiated wages, flexible working models that can be adjusted to meet individual employees' needs and tailored jobs that facilitate a work-life balance.

The Employee Project Group in which all of our strategic business units are represented oversees sustainability management for the "employee" pillar. The group meets four times a year as part of a human resources conference. In addition, project-group work is also coordinated. The company's Mission Statement and its **Guidelines for Sustainable Business Practices**, a set of principles based on the U.N. Universal Declaration of Human Rights and the conventions of the International Labour Association (ILO), serve as the basis of REWE Group's actions. In 2008, the company also created the International Working Group of REWE Group Works Councils (IARB, since 2015 European Works Council), in which Germany, Austria, the Czech Republic and Slovakia are represented. During the reporting period, the working group focused on such issues as standardising activities aimed at preventing assaults and robberies as well as promoting and introducing a dual studies programme like the one used by Germany in the food retail sector in Central and Eastern Europe at PENNY. In addition, all employees are subject to the code of conduct at REWE Group.

In 2014, REWE Group welcomes the statutory minimum wage approved by the German government. In its work with contractors, REWE Group focuses on compliance with minimum social standards. In 2011, REWE Group introduced the "Guideline on Minimum Standards for the Use of Contractor Employees" on the national level. The guideline applies to the use of both temporary employment agencies and to work and service agreements. The company will work with only those contract partners who pledge to apply minimum social standards and to pay any minimum negotiated wages as well as the statutory minimum wage for their employees. To ensure that the contract partners comply with the standards, REWE Group has worked with TÜV Rheinland, a leading international technical service provider in Germany, to develop an auditing process. The audits are conducted in the areas of product replenishment, picking and cleaning personnel.

Regular employee surveys help REWE Group to assess the satisfaction level of employees and identify areas that need to be addressed. As a family friendly company, REWE Group has been certified by berufundfamilie GmbH, a work-life balance initiative of the non-profit Herti Foundation, in accordance with the "audit berufundfamilie" since 2009. A large number of REWE stores, administration sites and logistics locations have already been certified. Until mid-2015, an additional 2,400 REWE stores will undergo the "audit berufundfamilie" process. As a result, more than 80,000 employees of REWE stores across Germany are being reached and can profit from more flexible working models or family- and life-phase-focused shift planning (see **berufundfamilie**).

New employee hires and employee turnover

For years now, the employee turnover rate at REWE Group has been relatively stable: It fell from 16.3 per cent (2012) to 14.7 per cent in 2014. During the same period, the hiring rate of new employees dropped from 17.2 per cent (2012) to 14.6 per cent in 2014. The increased number of new hirings in 2014 by National Specialist Stores resulted from the bankruptcy of Praktiker, a development that led to the acquisition of 16 stores.

New employees / new hirings based on age, gender and region

	Year	Total		Women		Men		Up to 30 years old		31 - 50 years old		Older than 50	
		%	Total	%	Total	%	Total	%	Total	%	Total	%	Total
National Full-Range Stores total	2012	12.1	6,391	10.5	3,800	15.8	2,591	30.4	3,506	9.4	2,367	3.2	518
	2013	9.7	5,225	8.1	2,982	13.3	2,243	25.6	3,037	6.9	1,736	2.7	452
	2014	9.8	5,380	8.4	3,155	13.0	2,225	25.4	3,009	7.6	1,885	2.7	486
International Full-Range Stores (Austria)	2012	26.6	9,516	23.8	6,478	35.7	3,038	52.4	6,202	16.1	3,031	5.6	283
	2013	25.5	9,364	22.9	6,392	33.4	2,972	50.4	6,063	15.5	2,983	5.7	318
	2014	21.5	7,935	19.1	5,313	29.1	2,622	44.1	5,151	13.3	2,540	4.1	244
National Discount Stores	2012	18.9	4,383	17.5	3,177	24.1	1,206	44.0	2,577	13.6	1,635	3.2	171
	2013	15.3	3,592	13.9	2,549	20.2	1,043	38.0	2,226	10.2	1,224	2.5	142
	2014	11.6	2,697	9.8	1,772	18.0	925	31.3	1,709	7.7	903	1.4	85

Discount Stores Austria	2012	39.1	991	37.4	767	46.1	224	80.4	592	25.4	374	7.6	25
	2013	34.7	879	33.7	691	38.7	188	67.6	501	24.1	348	8.5	30
	2014	35.1	882	33.6	678	41.2	204	69.2	520	24.5	337	6.4	25
National Specialist Stores	2012	8.7	867	6.6	355	11.1	512	28.1	438	6.5	360	2.4	69
	2013	6.6	651	5.0	265	8.5	386	20.8	308	5.1	268	2.5	75
	2014	13.0	1,346	11.0	605	15.3	741	33.0	530	11.2	605	6.4	211
National Travel and Tourism	2012	10.9	566	11.0	450	10.8	116	27.1	377	6.1	176	1.5	13
	2013	8.2	425	8.7	358	6.3	67	19.9	294	4.3	116	1.6	15
	2014	11.0	557	11.0	441	10.8	116	25.7	369	6.3	165	2.3	23
Other ¹	2012	11.5	993	12.9	523	10.2	470	29.9	523	8.1	388	3.9	82
	2013	11.5	936	11.3	424	11.8	512	31.8	459	9.1	417	2.8	60
	2014	21.5	1,613	14.0	486	27.9	1,127	62.7	843	16.7	689	4.0	81
Total (area of application of the Sustainability Report)	2012	17.2	23,707	16.0	15,550	20.1	8,157	41.0	14,215	11.8	8,331	3.6	1,161
	2013	15.1	21,072	13.9	13,661	17.9	7,411	37.0	12,888	10.1	7,092	3.2	1,092
	2014	14.6	20,410	12.7	12,450	19.1	7,960	35.5	12,131	10.3	7,124	3.1	1,155

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Personnel turnover based on age, gender and region

		Total	Women	Men	Up to 30 years old	31- 50 years old	Older than 50
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	Year	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total
National Full-Range Stores total	2012	10.7	5,649	9.2	3,353	14.0	2,296	21.0	2,421	7.3	1,836	8.7	1,392
	2013	10.0	5,359	8.6	3,171	13.0	2,188	20.6	2,440	6.9	1,726	7.1	1,193
	2014	10.2	5,564	8.7	3,258	13.5	2,306	21.6	2,555	6.9	1,716	7.2	1,293
International Full-Range Stores (Austria)	2012	23.3	8,346	21.6	5,904	28.7	2,442	40.8	4,830	15.0	2,823	13.6	693
	2013	23.1	8,480	21.0	5,858	29.4	2,622	39.9	4,800	15.2	2,912	13.8	768
	2014	21.3	7,842	19.4	5,403	27.1	2,439	37.4	4,374	14.5	2,771	11.6	697
National Discount Stores	2012	18.1	4,199	17.0	3,081	22.4	1,118	37.3	2,188	13.1	1,570	8.4	441
	2013	15.4	3,623	14.4	2,639	19.0	984	31.3	1,832	11.0	1,324	8.2	467
	2014	13.7	3,182	12.3	2,224	18.6	958	28.7	1,568	9.9	1,161	7.4	453
Discount Stores Austria	2012	37.1	940	35.3	723	44.7	217	64.7	476	27.4	403	18.5	61
	2013	35.5	900	34.9	716	37.9	184	61.1	453	26.2	377	19.9	70
	2014	35.8	900	34.9	705	39.4	195	57.5	432	29.6	406	16.0	62
National Specialist Stores	2012	11.5	1,150	9.8	526	13.6	624	23.3	363	8.7	482	10.6	305
	2013	10.4	1,024	9.2	484	11.8	540	21.8	323	8.2	437	8.7	264
	2014	11.1	1,147	9.6	527	12.8	620	22.5	362	7.9	426	10.9	359
National Travel and Tourism	2012	10.1	525	10.5	429	8.9	96	18.7	261	6.7	195	7.7	69
	2013	9.9	512	10.3	422	8.5	90	15.9	235	7.4	200	8.1	77
	2014	9.8	499	10.5	421	7.3	78	18.4	264	6.3	166	6.8	69

Other ¹	2012	18.8	1,622	23.8	966	14.3	656	36.8	643	14.0	673	14.6	306
	2013	15.2	1,232	16.1	605	14.4	627	33.2	479	11.4	519	11.1	234
	2014	18.7	1,405	16.9	589	20.2	816	33.5	450	15.8	654	14.8	301
Total (area of application of the Sustainability Report)	2012	16.3	22,431	15.4	14,982	18.3	7,449	32.2	11,182	11.3	7,982	10.0	3,267
	2013	15.1	21,130	14.1	13,895	17.5	7,235	30.3	10,562	10.7	7,495	8.9	3,073
	2014	14.7	20,539	13.3	13,127	17.8	7,412	29.3	10,005	10.5	7,300	8.8	3,234

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Early turnover (within the first two years) based on age and gender in per cent

	Year	Total	Women	Men	Up to 30 years old	31 - 50 years old	Older than 50
National Full-Range Stores total	2012	33.4	31.1	36.3	37.0	29.1	28.5
	2013	32.5	28.7	37.8	36.7	27.8	26.8
	2014	32.9	30.0	37.4	37.7	27.6	26.9
International Full-Range Stores (Austria)	2012	56.2	52.7	65.0	62.4	46.0	56.1
	2013	57.0	53.5	65.5	62.8	47.4	60.7
	2014	52.0	49.1	58.8	58.9	42.0	48.9
National Discount Stores	2012	54.8	56.4	51.2	61.5	45.0	58.2
	2013	46.7	46.3	47.6	53.4	37.7	41.0
	2014	45.6	44.2	48.7	50.5	38.4	44.2

Discount Stores Austria	2012	81.8	78.5	93.3	92.0	70.2	78.6
	2013	81.7	77.5	99.6	89.4	69.0	136.0
	2014	85.0	82.8	93.9	89.7	79.6	80.3
National Specialist Stores	2012	34.2	31.8	36.1	34.9	31.2	47.6
	2013	32.7	31.7	33.4	35.7	27.6	42.6
	2014	34.6	32.4	36.3	36.1	28.7	49.9
National Travel and Tourism	2012	13.1	13.2	12.6	11.6	15.9	29.7
	2013	11.0	10.8	12.3	9.8	13.2	24.2
	2014	9.2	9.1	9.6	8.8	9.6	14.8
Other ¹	2012	47.9	62.1	34.2	52.6	41.4	57.2
	2013	37.1	44.5	30.3	43.3	30.0	42.7
	2014	42.9	42.8	43.0	53.0	33.0	45.9
Total (area of application of the Sustainability Report)	2012	46.6	46.5	46.7	51.3	39.8	43.6
	2013	44.4	43.0	47.1	49.5	37.5	40.1
	2014	42.7	40.9	45.9	47.9	35.9	37.8

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Benefits provided to full-time employees

In addition to negotiated wages, REWE Group offers excellent company benefits. These benefits will be granted to all employees in varying degrees. The company offers no benefits that are available only to full-time employees.

Return to work and retention rates after parental leave

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 2014, 7,805 employees in Germany and Austria took parental leave. The group consisted of 401 male workers and 7,404 female employees. During the previous year, 7,211 employees went on parental leave. This group consisted of 6,959 female employees and 252 male workers. The right to parental leave is legally regulated in Germany and Austria. REWE Group has developed a number of measures designed to ensure that it remains in contact with employees taking parental leave. In one such programme, the REWE headquarters of National Full-Range Stores assigns an individual to each person on parental leave. This individual will inform the employee about such activities as invitations to town hall meetings and other internal company events.

Employees also receive information from the REWE headquarters organisation brochure and the Works Council newsletter. Each year, the Works Council also holds an information day for employees on parental leave. In addition, employees on parental leave are invited to town hall meetings, Christmas parties and carnival festivities.

Number of employees who took parental leave in 2014

	2014	2013
w	7,404	6,959
m	401	252
Total area of application of the Sustainability Report	7,805	7,211

Number of employees who returned to work following parental leave

	2014	2013
w	1,867	1,840
m	331	237
Total area of application of the Sustainability Report	2,198	2,077

Percentage of all men/women who returned from parental leave in 2013

		Total	%
Female	Resignation within 12 months	253	13.8
	After 12 months at the company	1,587	86.3
Total number of women		1,840	

Men	Resignation within 12 months	25	10.5
	After 12 months at the company	212	89.5
Total number of men		237	
Total result (area of application of the Sustainability Report)	Resignation within 12 months	278	13.4
	After 12 months at the company	1,799	86.6

Aspect: Labor/Management Relations

Management approach: Statutory, collective-bargaining and company rules are implemented in a trusting relationship with employee representatives. In addition, the combine-wide **Guidelines for Sustainable Business Practices** are applied. These guidelines are based on the U.N. Universal Declaration of Human Rights and the conventions of the International Labour Association (ILO). The Guidelines say: "We respect the right of employees to form independent and free worker organisations and to conduct free negotiations regarding employees' wages and rights." The company's working relationship with the Works Council is conducted among equals and involves cooperative discussions.

Minimum notice period(s) regarding operational changes

In its role as elected employee representatives or through representatives on the Supervisory Board, the Works Council plays a role in nearly all decisions taken by REWE Group. 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. REWE Group maintains a dynamic, intense and trusting relationship with Works Councils. Their representatives are members of a large number of company bodies, including the IT and logistics committees. Company-related changes are jointly discussed at an early stage. This was particularly the case in 2013 when REWE Group closed its consumer electronics division, ProMarkt.

Aspect: Occupational Health and Safety

Management approach: Combine-wide health management at REWE Group is assigned to the holding area Human Resources Combine. It coordinates concepts for occupational health management, occupational safety and occupational medicine. It provides the strategic business units with services in these areas as well as with assistance with occupational safety, preparation of screening issues, Fit.Netz activities and help with projects. REWE Markt GmbH has selected its own occupational safety specialists and is not supported by the holding. In REWE supermarkets, trained employees are responsible for occupational health and safety. At REWE International AG, full-time specialists in occupational safety and external occupational medicine provide support to the work sites of trade and headquarters companies in accordance with the German Occupational Safety Act (Arbeitnehmerschutzgesetz).

In compliance with governmental and employers' liability insurance association regulations, work sites are regularly inspected, systematic analysis of accidents is conducted, evaluations of occupational safety reports by government officials, trade supervisory centres, the German Occupational Safety Agency and an employers' liability insurance association are performed and regular meetings of the Occupational Safety Committee are held. Another key job is to increase employees' awareness levels about occupational safety as well as healthful working conditions and processes. As part of a continuous development process, focal points are regularly reviewed and expanded. One of the focal points is to develop "technically modern" and efficient risk assessment. The goal is to create a system that can be used to identify and evaluate risk areas and to develop recommendations for suitable implementation measures. Risk assessment is based on systematic store inspections using electronic measurement of risks. In addition, employee surveys and checklists that are documented in IT systems to the greatest extent possible are used during physical risk assessments. A key performance indicator (KPI) designed to monitor the long-term impact was defined: lowering accidents from 50.6 per 1,000 FTEs (full-time equivalents) in 2010 to 48.0 accidents by 2015.

In addition to addressing "traditional" occupational and safety issues, REWE Group systematically works to promote the good health of its employees. The company's goal is to further lower the number of paid sick days. The KPI being used to measure this progress is the reduction in the days of paid sick leave. This total should be lowered to 3.5 per cent by 2015 (compared with 3.6 per cent in 2010). To reach this goal, REWE Group has expanded an array of health-promotion programmes and projects as well as created new ones. In one reflection of this effort, a single company-wide service provider is responsible for occupational medicine support of the sales lines of REWE Group (REWE, PENNY, toom Baumarkt, ProMarkt¹ and Travel and Tourism). This work is coordinated by the chief medical officer in coordination with the heads of the business units and occupational safety experts in a needs-based manner that corresponds to strategic objectives.

¹ The stores of the consumer electronics division that operated under the ProMarkt brand name were sold or closed in 2013.

Percentage of total workforce represented in health and safety committees

In their role as key groups, the Occupational Safety Committees (OSCs) are organised in the strategic business units of REWE Group. In the business units that are particularly decentralised (REWE, PENNY), members of the committees consist of regional executives, representatives from sales, employees in the construction department, safety officers, members of the Works Council, safety experts and the company physician in accordance with legal requirements. In the national business units, meetings are conducted with the representatives responsible for a particular subject. Overall, more than 75 per cent of the company's entire workforce in Germany is represented by Occupational Safety Committees. OSC meetings are held regularly to examine accident statistics broken down by business unit and region. During this work, accidents are analysed and accident-prevention recommendations are made by the occupational safety officer. Afterwards, these recommendations are implemented by executives in the strategic business units and regions in the best possible manner.

In addition to the OSC meetings, the National Labour Team on Health Management convenes quarterly. The group develops recommendations about such areas as occupational safety, company physician care and health promotion. A decision about implementing the ideas is then taken by the responsible executives (human resources directors) in the business units.

On-site occupational safety is provided by qualified full-time employees: At the Cologne headquarters sites, PENNY, toom Baumarkt DIY stores, toom consumer markets¹ and ProMarkt², qualified prevention officers from central health management serve as local occupational safety experts. An occupational safety officer also works in Travel and Tourism.

REWE Markt GmbH has selected its own occupational safety specialists and is not supported by the holding. In REWE supermarkets, trained employees are responsible for occupational health and safety. As a new business, REWE Digital became a member of REWE Markt GmbH's support area in mid-2014. REWE Digital conducts its own national OSC meetings in its role as a national unit.

At REWE International AG, full-time specialists in occupational safety and external occupational medicine provide support to the work sites of trade and headquarters companies in accordance with the German Occupational Safety Act. Occupational Safety Committee meetings are held twice a year at locations with more than 100 employees. Representatives are regional officers, employees, occupational safety experts, occupational health physicians, safety officers and Works Council members. In addition, a central OSC meeting is held annually at the company headquarters. This meeting is chaired by the employer and attended by representatives of the groups cited above.

¹ In the period through February 2014, toom consumer markets were renamed REWE CENTER.

² The stores of the consumer electronics division that operated under the ProMarkt brand name were sold or closed in 2013.

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Also contains information about G4-22

Injuries, occupational diseases, lost days, and work-related fatalities

The accident statistics tracked by 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 involve reportable accidents per 1,000 full time equivalents (FTEs).

In 2014, the accident rate was 48.3 accidents per 1,000 FTEs. Within a period of two years, the rate has decreased by nearly 2.3 accidents per 1,000 FTEs. One reason for this largely positive trend – which varies by business unit – is the reduced number of accidents that occur on the way to work and back. In 2014, five deaths were reported. The total was three in 2013.

The number of sick days at REWE Group climbed from 5.56 in 2012 to 5.8 per cent in 2013 and then to 5.92 in 2014. The number of paid sick days rose from 3.76 in 2012 to 3.99 in 2013, while it fell minimally to 3.94 per cent in 2014. In general, sick days are rising throughout Germany. In 2013, Germany also experienced a flu epidemic that had an impact on the number of paid sick days.

The sick day statistics for 2013 (based on a health report of all German public health insurance providers) show that the number of lost work days per case of illness at REWE Group remains above the industry's levels. The number of work incapacity cases rose to nearly 1.3 cases per insured person. In a reflection of demographic trends, the number of sick days among older people rises as a result of a proportionally increased length of occupational incapacity. Given the heterogeneity of REWE Group, industry comparisons on the aggregated level are not particularly meaningful.

REWE Group has increasingly focused on the health report covering all types of health insurance schemes since its introduction in 2008 and discusses it in various committees. The health report covers cases of work incapacity in REWE Group reported to major health insurance providers. Data about occupational illnesses are not documented. But experience has shown that only a small number of occupational illnesses are reported at REWE Group.

Like the entire retail business, robberies remain an issue at REWE Group. The affected employees can suffer physical and psychological damage as a result of such incidents, causing them to miss work for a significant period of time. Acute intervention following traumatic events can provide major assistance. In 2012, 293 employees were victims of robberies in Germany and Austria. During the reporting period, this total fell to 238 (2013) and to 213 (2014).

REWE Group service providers are generally independent, decentralised contract partners. As a result, data about accident rates, sick days and deaths involving external service providers are not collected.

Accidents, robberies and deaths

Strategic business units	Year	Total accidents per 1,000 FTEs*	Number of employees injured in accidents (total)	Number of employees injured in accidents (occupational accidents)	Number of employees injured in accidents (commuting accidents)	Robberies Employees	Deaths Employees
National Full-Range Stores total	2012	59.2	2,833	2,421	412	80	1
	2013	59.5	2,900	2,506	394	71	1
	2014	57.4	2,834	2,462	372	72	3
International Full-Range Stores (Austria)	2012	29.3	851	k.A.	k.A.	51	0
	2013	25.7	770	k.A.	k.A.	36	0
	2014	23.2	691	k.A.	k.A.	21	0
National Discount Stores	2012	81.9	1,387	1,228	159	130	1
	2013	77.1	1,316	1,119	197	112	1
	2014	78.6	1,314	1,152	162	100	1
Discount Stores Austria	2012	24.7	48	k.A.	k.A.	12	0
	2013	25.7	50	k.A.	k.A.	13	0
	2014	41.6	80	k.A.	k.A.	14	0
National Specialist Stores	2012	56.3	534	465	69	18	0
	2013	55.0	510	437	73	4	1
	2014	53.4	524	468	56	5	0
National Travel and Tourism	2012	9.6	43	15	28	2	0
	2013	14.0	63	18	45	0	0
	2014	9.6	43	16	27	0	0
Other¹	2012	33.2	272	226	46	0	2
	2013	33.3	255	197	58	2	0
	2014	38.4	272	239	33	1	1
Total (area of application of the Sustainability Report)	2012	50.6	5,968	4,355	714	293	4
	2013	49.2	5,864	4,277	767	238	3
	2014	48.3	5,758	4,337	650	213	5

Austria law does not require a distinction between occupational and commuting accidents. For this reason, this distinction is not available in the systems and cannot be evaluated. For International Full-Range Stores (Austria) and Discount Austria, only the total number of accidents (both occupational and community accidents) are reported. 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.

For the accident total in 2012, an adjustment has been made since the previous Sustainability Report on the basis of current data.

* FTE = Full-time equivalent

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Total number of missed workdays due to accidents

Strategic business units	Year	Total number of missed workdays due to accidents	Number of missed workdays due to occupational accidents	Number of missed workdays due to commuting accidents
National Full-Range Stores total	2012	45.846	35.761	10.085
	2013	47.021	37.613	9.408
	2014	52.626	41.176	11.449
International Full-Range Stores (Austria)	2012	13.261	k.A.	k.A.
	2013	12.169	k.A.	k.A.
	2014	10.235	k.A.	k.A.
National Discount Stores	2012	25.358	22.141	3.217
	2013	25.866	22.010	3.857
	2014	26.876	22.351	4.525
Discount Stores Austria	2012	769	k.A.	k.A.
	2013	725	k.A.	k.A.
	2014	1.180	k.A.	k.A.
National Specialist Stores	2012	8.915	7.642	1.273
	2013	8.351	6.683	1.668
	2014	7.954	6.948	1.006
National Travel and Tourism	2012	363	59	304
	2013	1.022	278	744
	2014	400	205	195
Other¹	2012	4.671	3.652	1.019
	2013	4.513	3.668	845
	2014	4.311	3.740	571
Total (area of application of the Sustainability Report)	2012	99.183	69.255	15.898
	2013	99.667	70.252	16.522
	2014	103.582	74.420	17.746

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¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Sick days

Strategic business units	Year	Sick days	Sick days Of those women	Total number of sick days %	Paid sick days %	Unpaid sick days %
National Full-Range Stores total	2012	72,371	48,879	6.1	3.7	2.5

	2013	80,519	54,158	6.3	3.9	2.4
	2014	79,446	53,104	6.5	3.9	2.6
International Full-Range Stores (Austria)	2012	39,911	29,814	4.1	3.7	0.4
	2013	43,994	32,371	4.3	3.9	0.4
	2014	42,030	30,604	4.3	3.8	0.5
National Discount Stores	2012	29,815	22,720	6.7	4.1	2.6
	2013	32,862	24,789	7.2	4.3	2.9
	2014	32,269	24,170	7.7	4.3	3.4
Discount Stores Austria	2012	2,921	2,411	4.9	4.4	0.6
	2013	3,292	2,739	5.1	4.7	0.4
	2014	2,926	2,458	5.3	4.5	0.8
National Specialist Stores	2012	17,684	9,447	6.7	4.2	2.5
	2013	18,682	9,990	7.0	4.4	2.6
	2014	18,973	10,014	6.7	4.3	2.4
National Travel and Tourism	2012	9,098	7,439	4.0	3.0	1.0
	2013	9,203	7,530	4.1	3.1	0.9
	2014	9,341	7,675	4.2	3.2	1.0
Other ¹	2012	13,781	7,297	5.5	3.7	1.8
	2013	14,135	7,249	5.7	4.0	1.7
	2014	13,097	6,644	5.7	4.0	1.7
Total (area of application of the Sustainability Report)	2012	185,581	128,007	5.6	3.8	1.8
	2013	202,687	138,826	5.8	4.0	1.8
	2014	198,082	134,669	5.9	3.9	2.0

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Number of accidents by gender

Strategic business units	Gender	2012 per 1,000 FTEs*	2013 per 1,000 FTEs*	2014 per 1,000 FTEs*
National Full-Range Stores total	w	58.9	59.0	57.2
	m	59.8	60.4	57.9
	Total	59.2	59.5	57.4
International Full-Range Stores (Austria)	w	25.3	21.1	18.3
	m	39.4	36.9	34.7
	Total	29.3	25.7	23.2
National Discount Stores	w	85.1	78.9	85.4
	m	73.7	72.7	62.2
	Total	81.9	77.1	78.6
Discount Stores Austria	w	19.2	15.0	34.6
	m	41.7	58.6	62.6

	Total	24.7	25.7	41.6
National Specialist Stores	w	46.4	44.1	43.7
	m	65.8	65.4	62.5
	Total	56.3	55.0	53.4
National Travel and Tourism	w	10.4	16.9	11.0
	m	6.9	4.0	4.9
	Total	9.6	14.0	9.6
Other¹	w	31.9	30.7	28.0
	m	34.2	35.2	46.2
	Total	33.2	33.3	38.4
Total (area of application of the Sustainability Report)	w	49.0	46.8	46.4
	m	53.7	53.6	51.8
	Total	50.6	49.2	48.3

* FTE = Full-time equivalent

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

For the accident total in 2012, an adjustment has been made since the previous Sustainability Report on the basis of current data.

Accidents based on situational factors

Strategic business units	Year	Accidents	Commuting accident	Commuting accident in %	Machinery	Machinery in %	Moving objects	Moving objects in %
National Full-Range Stores total	2012	2,833	412	14.5	657	23.2	250	8.8
	2013	2,900	394	13.6	703	24.2	246	8.5
	2014	2,834	372	13.1	697	24.6	258	9.1
National Discount Stores	2012	1,387	159	11.5	163	11.8	104	7.5
	2013	1,316	197	15.0	168	12.8	81	6.2
	2014	1,314	162	12.3	187	14.2	117	8.9
National Specialist Stores	2012	534	69	12.9	75	14.0	71	13.3
	2013	510	73	14.3	80	15.7	80	15.7
	2014	524	56	10.7	81	15.5	75	14.3
National Travel and Tourism	2012	43	28	65.1	0	0.0	2	4.7
	2013	63	45	71.4	0	0.0	6	9.5
	2014	43	27	62.8	1	2.3	3	7.0
Other¹	2012	272	46	16.9	83	30.5	19	7.0
	2013	255	58	22.7	93	36.5	7	2.7
	2014	272	33	12.1	75	27.6	19	7.0
Total (area of application of the Sustainability Report)	2012	5,069	714	14.1	978	19.3	446	8.8
	2013	5,044	767	15.2	1,044	20.7	420	8.3
	2014	4,987	650	13.0	1,041	20.9	472	9.5

For the accident total in 2012, an adjustment has been made since the previous Sustainability Report on the basis of current data.

In Austria a distinction of accidents based on situational factors is not possible.

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Accidents based on situational factors (continued)

Strategic business units	Year	Intra-company transports	Intra-company transports in %	Construction projects	Construction projects in %	Robbery/violence	Robbery/violence in %	Other	Other in %
National Full-Range Stores total	2012	640	22.6	405	14.3	80	2.8	389	13.7
	2013	665	22.9	407	14.0	71	2.4	414	14.3
	2014	651	23.0	388	13.7	72	2.5	396	14.0
National Discount Stores	2012	418	30.1	188	13.6	130	9.4	225	16.2
	2013	394	29.9	184	14.0	112	8.5	180	13.7
	2014	406	30.9	168	12.8	100	7.6	174	13.2
National Specialist Stores	2012	80	15.0	57	10.7	18	3.4	164	30.7
	2013	73	14.3	58	11.4	4	0.8	142	27.8
	2014	88	16.8	69	13.2	5	1.0	150	28.6
National Travel and Tourism	2012	0	0.0	7	16.3	2	4.7	4	9.3
	2013	0	0.0	3	4.8	0	0.0	9	14.3
	2014	0	0.0	3	7.0	0	0.0	9	20.9
Other¹	2012	27	9.9	36	13.2	0	0.0	61	22.4
	2013	13	5.1	40	15.7	2	0.8	42	16.5
	2014	36	13.2	49	18.0	1	0.4	59	21.7
Total (area of application of the Sustainability Report)	2012	1.165	23.0	693	13.7	230	4.5	843	16.6
	2013	1.145	22.7	692	13.7	189	3.7	787	15.6
	2014	1.181	23.7	677	13.6	178	3.6	788	15.8

For the accident total in 2012, an adjustment has been made since the previous Sustainability Report on the basis of current data.

In Austria a distinction of accidents based on situational factors is not possible.

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Deaths by gender

Strategic business units	Year	Total	Men	Women
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National Full-Range Stores total	2012	1	0	1
	2013	1	0	1
	2014	3	1	2
International Full-Range Stores (Austria)	2012	0	0	0
	2013	0	0	0
	2014	0	0	0
National Discount Stores	2012	1	0	1
	2013	1	0	1
	2014	1	0	1
Discount Stores Austria	2012	0	0	0
	2013	0	0	0
	2014	0	0	0
National Specialist Stores	2012	0	0	0
	2013	1	0	1
	2014	0	0	0
National Travel and Tourism	2012	0	0	0
	2013	0	0	0
	2014	0	0	0
Other ¹	2012	2	1	1
	2013	0	0	0
	2014	1	0	1
Total (area of application of the Sustainability Report)	2012	4	1	3
	2013	3	0	3
	2014	5	1	4

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Workers with high incidence or risk of diseases

There is no indication that employees have a high illness rate or health risks as a result of their jobs.

The issue of workplace ergonomics plays a major role on the store and logistics operations. The repetitive movements that employees perform in these areas as well as incorrect ways of lifting, carrying and standing frequently result in pain and missed days at work. During the reporting period, ergonomic training and action days regarding back health were offered in many regions.

In health promotion activities, dealing with stress and mental strain plays an important role. Mental strain can sometimes have a devastating effect on people's employability, motivation and job performance. For this reason, REWE Group worked with the Institute for Health Promotion in 2011 to develop a project called "LoS! – Lebensphasen orientierte Selbsthilfekompetenz" (or Life Phase Oriented Self-Help Skills).

To prevent addiction, REWE Group joined the DAK health insurer in conducting action days at Cologne business locations in 2014. Across Germany, more than 30 employees of REWE Group have been trained as occupational addiction officers. In this role, they can answer questions posed by colleagues and managers as well as hold confidential conversations.

The pilot project "Voll im Leben – Kenn Dein Limit" (In the Middle of Life – Know Your Limit) aims its addiction prevention activities directly at adolescents and young employees. It was conducted in 2013 for the first time with about 350 trainees and was honoured as a "project with role model character" by the employers' liability insurance association Berufsgenossenschaft für Handel und Warendistribution (BGHW). As a result of the strong response among young employees, "Voll im Leben – Kenn Dein Limit" became a permanent part of training at REWE Southwest in 2014.

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. Furthermore, all employees in the Region South can use the rehabilitation network Netzwerk Reha REWE – a partnership project organised by REWE, the German State Pension Agency Bavaria South, Swabia and Northern Bavaria as well as a number of rehabilitation hospitals. The network enables employees to receive systematic, high-quality and work-related rehabilitation.

Health programmes of REWE Group

Programme	Objective and target group/area of application of the programme	Measures/details of the programme	Timeframe of the programme	Status	Activities in the reporting period 2011-12	Planning/modification of the programme	Anchoring (headquarters, SBU's)	Other comments
Fit.Netz national								
Fit.Netz Cologne Marathon	REWE Group employees interested in running	Organisation and support (in terms of health-promotion aspects) of a running group	April - October each year	In 2014, far-reaching support and evaluation (in terms of performance); approximately 240 successful participants in 2014; planning for 2015 under way	Continuous modification	Modifications on the basis of evaluation results	National	
Fit.Netz Cologne	All employees of the Cologne head office locations, a way to offset job-related stresses	Exercise, diet and relaxation programmes	Continuous, annual	Regular course offerings (three course phases per year with about 15-20 offerings and 1,000 participants)	Continuous modification, evaluation conducted in 2014	Modifications on the basis of evaluation results	Cologne head office locations	
Fit.Netz travel to remain healthy	All national employees	Trips with prevention programmes to offset on-the-job stress	Continuous, annual	Regular review by Dr Holiday in cooperation with health management (PKG)				
Transfer from the programme Healthy in the Store				Successive media from the project are being used				
Health management in accounting	Accounting employees at toom Baumarkt DIY stores, REWE head office locations and Package Tourism Cologne	Analyses (health report, occupational accident data, employee surveys, inspections, circles, etc.), development of measures and evaluation	12/2011-06/2013	Completed		The results are being applied as part of ongoing processes, and instruments are available to others		
Company physician support concept	All national employees	In accordance with statutory requirements, the German accident prevention regulation DGUV V2, preparation of information fliers about all support and prevention programmes offered by the company	Ongoing			All instruments are available in the topical library	National	

		physician service and guidelines on the individual risk assessment of expecting mothers.						
Checkups for managers	Top managers of REWE Group	Screenings	Ongoing					
First-aid courses	for Cologne head office locations	Initial and advanced training as well as discussion meetings and defibrillator information events	Ongoing	A new training concept in 2015 requires a new tender process regarding the training	Continuous modification (e.g., chain of survival, introduction to defibrillators, team room for information and organisation)	Implementation of the new concept of the German Social Accident Insurance Association		
Screenings	Review of areas with atypical data in health reporting	Analysis with data of the cross-insurer health report	Ongoing	Initial analysis as part of the manager training course "Healthier Management"		Combination of analysis with results from employee surveys is planned in individual areas.	National strategic business units	A section of the risk assessment of mental stresses on the job
Cancer screening	All national employees	1) Time credit for cancer screening covered by statutory health insurance funds in Germany, 2) module fecal immunochemical test is available as part of this programme	Continuous					
Theme stress	Mental risk assessment	Pilot project and process description on the basis of surveys, workshops, employee forums, inspections, etc.	Since 2014	Testing of various processes being carried out				
Online risk assessment of the employers' liability insurance association Berufsgenossenschaft für Handel und Warendistribution	An electronic process to conduct the risk assessment was tested during a pilot project at PENNY and toom Baumarkt DIY stores	Practical test of the process, coordination of the parameters to be evaluated, organisation of chain store administration, creation of technical conditions, training of users	2013-2014	National implementation at PENNY and toom Baumarkt DIY stores begun in January 2015		Continuous modification on the basis of practical experience	Organised by health management (PKG) for PENNY and toom Baumarkt DIY stores	
Flu shots	for all national employees	Offer of the innovative tetravalent influenza	Since 2013	Ongoing during flu season				

vaccine as part of an immunization programme and by the company physician service

Healthier Management	All managers of DER Touristik	Mandatory seminar for managers at DER Touristik, bonus-relevant development of measures as a task	Since 2014			Evaluation in 2015, roll-out in other areas (REWE Systems)	DER Touristik	
Stress consultations	Pilot project at two logistics centres of REWE South	Psychological consultations offered to all employees. Individual appointments made by calling a mobile number.		The project is scheduled to be rolled out in other areas.		In 2015, roll-out across REWE South and other strategic business units	National strategic business units with chief company physicians	
Diabetes prevention	All employees	1) Pilot project involving glucose tolerance tests in the headquarters. 2) Health campaigns in the regions. 3) Team activities with 223 groups and 1,721 participants	2013-2014	Completed, available for further use as model.				

Health and safety topics covered in formal agreements with trade unions

In its occupational safety efforts, REWE Group complies with legal requirements and rules issued by employers' liability insurance associations. REWE Group does not treat occupational safety issues separately in formal agreements it reaches with unions.

Aspect: Training and Education

Management approach: Positioning REWE Group as an attractive employer in order to recruit talented individuals is an important goal of the company. The demographic shift and the shortage of skilled employees arising from this trend have turned this goal into an even higher priority. The company is working to recruit as many skilled employees and executives from its own ranks as possible and to establish a long-term relationship with qualified and motivated employees.

This is why REWE Group continuously expands its range of employee development activities. Once an individual has joined the company, he or she can choose from a broad range of training programmes. The challenge of this work is to design the training courses in such a way that they meet the sale lines' broad range of needs while also considering the employee's individual requirements. This is done by offering comprehensive seminar programmes, individual advanced training and coaching sessions to all employees throughout their entire careers at REWE Group.

Through its systematic career and succession planning, the company ensures that openings for skilled employees and managers are filled by internal candidates to the greatest extent possible. The goal of increasing the share of internal hirings of managers to 68.4 per cent by 2015 was actually achieved in 2012. By 2014, it had climbed to 76.4 per cent.

Average Hours of training

Training hours are tracked decentrally. In 2013, the entire workforce of REWE Group completed an average of 10.6 training hours. The total rose to 11.5 hours in 2014.

REWE Group offers training in a wide range of occupations. In addition to traditional trainee occupations, REWE Group gives people an opportunity to take part in a college-level programme that combines theory and practice. This programme is offered at such institutions of higher learning as the European University of Applied Sciences, the Baden-Württemberg Cooperative State University, the University of Applied Sciences for Business and the Frankfurt University of Applied Sciences. The courses of study focus in particular on the areas of trade and tourism management as well as information systems. The programme is designed to provide a practical form of university education. In 2013, 155 students in Germany and Austria were part of the programme. The total rose to 165 in 2014.

Total number of apprentices, trainees and college students in REWE Combine

Strategic business units	Year	Dual-programme			Dual-programme			Dual-programme		
		Trainees Number Men	members Number Men	Apprentices Number Men	Trainees Number Women	members Number Women	Apprentices Number Women	Trainees Number Total	members Number Total	Apprentices Number Total
National Full-Range Stores total	2012	14	42	1,465	4	17	1,152	18	59	2,617
	2013	9	48	1,420	5	24	1,167	14	72	2,587
	2014	10	49	1,413	5	27	1,172	15	76	2,585
International Full-Range Stores (Austria)	2012	25	0	406	19	3	1,027	44	3	1,433
	2013	22	0	457	16	0	980	38	0	1,437
	2014	30	0	441	10	0	913	40	0	1,354
National Discount Stores	2012	3	18	412	2	8	376	5	26	788
	2013	3	19	433	0	12	401	3	31	834
	2014	4	18	447	7	14	416	11	32	863
Discount Stores Austria	2012	0	0	26	0	0	83	0	0	109
	2013	0	0	19	1	0	75	1	0	94
	2014	0	0	11	1	0	54	1	0	65
National Specialist Stores	2012	9	0	253	5	0	128	14	0	381
	2013	7	0	267	5	0	133	12	0	400
	2014	7	0	330	2	0	172	9	0	502

National Travel and Tourism	2012	2	6	51	5	20	442	7	26	493
	2013	2	8	44	4	21	426	6	29	470
	2014	3	9	49	3	24	378	6	33	427
Other¹	2012	9	16	178	4	8	117	13	24	295
	2013	5	14	71	6	9	84	11	23	155
	2014	5	13	60	7	11	81	12	24	141
Total (area of application of the Sustainability Report)	2012	62	82	2,791	39	56	3,325	101	138	6,116
	2013	48	89	2,711	37	66	3,266	85	155	5,977
	2014	59	89	2,751	35	76	3,186	94	165	5,937

¹ Excluding EHA, Mayflor, Commercetools and Zoo Royal

Share of various formats in the training programmes *

Year	Share of classroom courses	Share of e-learning
	in %	in %
2012	72.3	22.9
2013	67.7	32.3
2014	64.4	35.6

* PENNY is excluded

Programs that support the continued employability of employees

REWE Group provides all employees and managers with a broad range of internal education and training programmes that are designed to help these individuals to grow in both personal and professional terms. With prior consent, executives can take part in coaching and supervision programmes. As a rule, external training programmes are worked out on an individual basis and financially supported.

Development of Young Employees

The company systematically develops young employees with the help of the association REWE Nachwuchsförderung e. V. that was set up in 1964. In 2013, the association began to conduct the sustainability competition "REWE Group Star": In a combine-wide team competition, trainees and young employees can jointly plan and carry out sustainability campaigns based on one of the company's four pillars of sustainability. In doing so, they gain an understanding of the importance of sustainability in trade. In 2012, the individual strategic business units became solely responsible for trainee marketing. These units can systematically recruit new trainees and cover the need for skilled employees.

Education

In addition to the broad range of training opportunities for all employees of REWE Group, the company provides executives with special education programmes. The Management Academy and the Management Campus are two demanding and comprehensive internal advanced training programmes that are designed to teach knowledge needed on the job and to facilitate combine-wide networking of managers in REWE Group. With classroom courses, lectures, coaching and other learning opportunities, the Management Campus supports the continuous professional growth of upper-level managers. In one special aspect of this work, managers attend a seminar called "Sustainability 2.0" where they have an opportunity to discuss how the value of sustainability can be integrated into the company's management and culture.

Holistic management planning requires targeted development of young employees. With its Management Academy, an effort that was formerly called the General Management Programme (GMP), REWE Group provides individual support to high potential candidates working on the management level below Top Executive. The academy is designed to address the individual needs of managers and to continuously improve the quality of management.

On the store level, PENNY employs a management development programme for its discount business known by the German acronym FeDi to develop and promote prospective and new store managers. It also trains them in professional and personal terms for the position of store manager. In addition, the company offers job-entry programmes for new district managers and executives, management workshops for all PENNY managers, free individual seminars for managers and employees as well as store system training courses for store personnel, store managers and district managers. PENNY also provides trainers with the opportunity to attend a train the trainer

programme certified by the German Chamber of Industry and Commerce. During the reporting period, REWE Markt GmbH created a continuing education programme for young retailers called Junior Campus that is designed to help participants to become self-employed.

Sustainability Training

All purchasers at REWE Far East and in the non-food area receive training in sustainability issues that pertain to their work, including seminars about the Code of Conduct of the Business Social Initiative (BSCI). Other courses address raw materials, an area about which REWE Group has prepared guidelines. These raw materials include fish, palm oil and soybeans. In addition, the training focuses on special issues that apply to REWE Group like ways to avoid environmentally harmful chemicals.

Redundancies

For employees whom REWE Group declares redundant, the company works with employee representatives to develop a redundancy programme when necessary. Such programmes frequently include qualification activities for the employee that are designed to help him or her find another position.

Percentage of employees receiving regular performance and career development reviews

The career and succession planning (CSP) of REWE Group is a critically important aspect of group-wide talent management. The planning process is designed to recruit skilled workers and managers from the company's own ranks, to identify high-potential employees at an early stage as well as to create a long-term relationship with motivated employees and to develop these individuals' skills.

In each strategic business unit as well as in headquarters, the CSP process begins with a review of the responsibilities contained in the job description. A manager will evaluate the performance of an employee on the basis of task fulfilment and abilities. In addition, an evaluation of the employee's potential is made. This appraisal and the employee's own self-assessment are then discussed during so-called potential conferences held by management.

During the potential conferences, managers on a particular hierarchical level will discuss employees whom they directly supervise. 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. The potential conferences for Top Executives and for managers on the level directly beneath them are held annually. For most employee groups on the other levels, potential conferences are generally held every two years.

The subsequent annual development meeting ensures that goals, requirements and work results, aspects of the working relationship and questions about personal and professional development are discussed, documented and systematically addressed. The direct supervisor conducts the confidential development meeting with each of his or her employees once a year.

In 2011, the company began to systematically depict the career and succession planning for the entire combine in SAP on a step-by-step basis. The application optimises the process and makes it transparent. In 2013, the CSP process was depicted for 14,168 employees. In 2014, the total rose to 17,936. Each year, further employee groups will be added. In 2014, for instance, store managers at PENNY were incorporated.

Aspect: Diversity and Equal Opportunity

Management approach: The promotion of diversity in the company is a critical factor in its business success. Companies that focus on diversity improve their ability to adapt to changing market conditions and improve their competitive position in the race to recruit qualified skilled employees. With this in mind, REWE Group focuses its personnel management work on creating a diverse employee structure and on maintaining a discrimination-free workplace for employees irrespective of their gender, age, religion, sexual identity, origin or disability in which all employees have equal opportunities. This also includes equal pay for men and women.

In this effort, the company focuses on the following issues:

- Generation mainstreaming encompasses respect for all generations in the company's culture and the promotion of good working relationships among various age groups. In light of the growing number of older employees in the company, this work plays an important role.
- Disability mainstreaming ensures that employees with disabilities have equal treatment. This effort includes work areas and work stations adapted to the needs of the disabled. People with disabilities and people at risk of disability can turn to the company's representative for the disabled at any time. This representative assists them with the preparation of applications to the German Office for Social Services, reintegration into the work world following a long absence due to illness and all other legal questions.
- Appreciation of cultural diversity is the focal point of cultural mainstreaming, an effort in which REWE Group promotes intercultural and open structures and processes.
- The gender balance is designed to further the gender-specific promotion of professional and personal abilities and development opportunities.
- REWE Group is committed to creating a work-life balance for employees.

The commitment to discrimination-free formulation of company human resources policies is included in the **Guidelines for Sustainable Business Practices** at REWE Group. It is also a fundamental component of the code of conduct that applies to all employees and managers.

Composition of governance bodies and breakdown of employees by aspects of diversity

Women made up 70.4 per cent of the total workforce of REWE Group in 2014. They also composed 47.6 per cent of the company's managers (2012: 47.3 per cent, 2013: 47.2 per cent) per cent. The share of women among its top management was 10.3 per cent (2012: 11.1 per cent; 2013: 11.8 per cent).

The Supervisory Board of REWE-Zentral-Aktiengesellschaft (RZAG) had 18 ordinary members (16 men and two women) in 2014. The Supervisory Board of REWE-ZENTRALFINANZ eG (RZF) had 20 ordinary members (17 men and three women) in 2014. No women were members of the Management Board in the reporting period. No women were members of the Managing Board or the Supervisory Board of REWE International AG.

REWE Group determines the employment rate of people with disabilities in accordance with section 2 of the German Social Welfare Code (Sozialgesetzbuch). Under this definition, the employment rate of employees with disabilities at REWE Group was 2.9 per cent in 2014, a slight increase from previous years (2013: 2.7 per cent, 2012: 2.6 per cent). In Germany, no comprehensive reporting requirement applies to people with disabilities. For this reason, all employees with a reported disability are included in this calculation.

Composition of employees by employee categories

	Year	Number	Women %	Men %	Up to 30 years old %	Up to 30 years old Of those women %	31 - 50 years old %	31 - 50 years old Of those women %	Older than 50 %	Older than 50 Of those women %	Membership of a minority* %	Membership of a minority* Of those women %
Employees	2012	156,164	71.1	28.8	32.3	60.0	44.8	75.3	22.9	78.8	2.6	70.4
	2013	154,537	71.1	28.9	31.5	59.6	44.0	74.9	24.5	79.0	2.7	70.3
	2014	153,934	70.4	29.6	30.7	58.4	43.4	73.8	25.9	79.0	2.9	70.3
Managers	2012	13,292	47.3	52.7	14.7	48.7	62.2	48.7	23.1	42.6	1.8	37.6
	2013	13,567	47.2	52.8	15.0	47.3	60.9	48.6	24.2	43.5	1.8	38.3
	2014	13,644	47.6	52.4	14.6	46.5	60	49.3	25.4	44.3	1.9	39.3
Top executives	2012	207	11.1	88.9	0.5	100.0	64.3	11.3	35.3	9.6	1.7	0.0
	2013	221	11.8	88.3	0.5	100	60.2	13.5	39.4	8.1	2.0	0.0
	2014	223	10.3	89.7	0.0	0.0	54.7	12.3	45.3	7.9	2.3	0.0

* Individuals with disabilities under section 2 of the German Social Welfare Code and the Austrian Disability Equality Act.

Composition of leading control bodies

	Year	Number	Women %	Men %	Up to 30 years old %	31 - 50 years old %	Older than 50 %	Membership of a minority* %
Management Board	2012	6	0	100	0	67	33	0
	2013	6	0	100	0	33	67	0
	2014	6	0	100	0	33	67	0
Supervisory Board (Germany)	2012	26	23	77	0	31	69	0
	2013	18	11	89	0	39	61	0
	2014	28	14	86	0	21	79	0
Management Board (Austria)	2012	4	0	100	0	0	100	0
	2013	4	0	100	0	0	100	0
	2014	4	0	100	0	0	100	0
Supervisory Board (Austria)	2012	7	0	100	0	29	71	
	2013	7	0	100	0	29	71	0
	2014	7	0	100	0	29	71	0

* Individuals with disabilities under section 2 of the German Social Welfare Code and the Austrian Disability Equality Act.

Share of female employees by employee category

	Year	Female employees %	Female managers %	Female top executives %
Total (area of application of the Sustainability Report)	2012	71.2	47.3	11.1
	2013	71.1	47.2	11.8
	2014	70.4	47.6	10.3

Share of employees with non-German nationality

	Year	Total	Non-German nationality	%
Employees	2012	156,164	18,628	11.9
	2013	154,537	19,152	12.4
	2014	153,934	19,931	12.9
Managers	2012	13,292	987	7.4
	2013	13,567	1,082	8.0
	2014	13,644	1,107	8.1
Top Executives	2012	207	12	5.8
	2013	221	14	6.3
	2014	223	13	5.8

Aspect: Equal Remuneration for Women and Men

See the aspect "Diversity and Equal Opportunity".

Ratio of basic salary and remuneration of women to men

The non-discriminatory human resources policies of REWE Group include the creation of fair, gender-neutral compensation. It is also a fundamental component of the code of conduct that applies to all employees and managers. With its non-discriminatory systems, REWE Group ensures that female employees do not experience any reduction in non-negotiated compensation. This includes a ranking system that focuses exclusively on the job requirement and qualification level of the respective position – regardless of the particular person who holds the position.

In addition to ensuring gender-neutral compensation, external recruiters are required to submit both female and male candidates to fill vacant positions.

Aspect: Supplier Assessment for Labor Practices

Management approach: As an international trade company, REWE Group obtains a large variety of products and product ingredients from countries outside the European Union. In their purchasing activities, all sales lines must obtain products at favourable terms while also ensuring that production is done in a socially and environmentally conscious manner.

The basic values contained in the **Guidelines for Sustainable Business Practices** also apply to the business partners and suppliers of REWE Group. REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached.

REWE Group strives to make its very complex global supply chain more sustainable in cooperation with its suppliers. This is achieved in part by playing an active role in product and industry initiatives like the Social Business Compliance Initiative (BSCI), the cross-industry guidelines for raw materials and the PRO PLANET sustainability label.

Percentage of new suppliers that were screened using labor practices criteria

The **Guidelines for Sustainable Business Practices** of REWE Group have one objective: to work with business partners and implement binding standards for their joint supply chain. This goal should be reached by taking three steps:

- Boosting the number of non-food suppliers with social audits (BSCI) from developing countries to 85 per cent by 2015
- Since the beginning of 2014, store brand suppliers in the fruit and vegetable segment have been contractually obligated to comply with the Global G.A.P. GRASP (G.A.P: Good Agricultural Practice, GRASP: GLOBALG.A.P. Risk Assessment on Social Practice) module or a similar standard. An exemption has been granted to QS-certified companies because an equivalent standard of QS GmbH will not be available until 2015. This requirement will be extended to all fruit and vegetable supply partners in 2015.
- Developing a supplier questionnaire that contains all 16 factors in the guidelines. The labour-practices criteria are a ban on forced labour, a prohibition on child labour, fair dealings with employees, the promotion of equal treatment, employee rights to freedom of association and collective bargaining, work schedule rules, compensation and occupational health and safety. The environmental criteria are climate protection, conservation of resources, protection of endangered species, biodiversity, animal protection and experimentation as well as risk management covering the use of environmentally relevant operating resources. With the help of a specially developed algorithm, these factors are measured using nine indicators (the public, goals, measures, measurability, area of responsibility, supply chain, certification, self-evaluation and risk assessment). The extent of sustainability for individual companies and value chain steps is then described. The validation of this approach was conducted during a pilot phase carried out in the second quarter of 2015 with 48 suppliers (food/non-food). The roll-out for other store brand suppliers is planned to start in the fourth quarter of 2015.

Significant impacts for labor practices in the supply chain

Based on the questionnaire concept described in LA14, REWE Group will be able to measure the degree to which the indicators have been achieved. In an additional step, plans have been made to audit 1 per cent to 2 per cent of suppliers and to validate the results. The evaluation scheme makes it possible to identify significant deviations and expresses the degree of achievement as a percentage. Steps are taken if significant deviations are found. Under initial plans, the contract partners will be informed about the corresponding issues. If necessary, steps like certification measures (including BSCI membership or participation in the GRASP module) or training will be recommended. A development plan will then be worked out with the contract partner. The objective is to jointly work on improvements and to support the suppliers' capacity-building processes.

Aspect: Labor Practices Grievance Mechanisms

Management approach: To ensure that fair labour practices are used in the supply chain, new processes are being developed. Once implemented, these processes will include the approach to complaints and notifications about unfair labour practices. See the aspect "Supplier Assessment for Labor Practices" as well as **LA14** and **LA15**.

No formal process has been developed to address complaints about labour practices in REWE Group. When they have a complaint, employees can speak with a variety of different contact partners. In addition to managers, these partners include the Works Councils and the representatives for employees with severe disabilities.

Grievances about labor practices

No process is currently available to register formal complaints about labour practices in the supply chain. Of course, REWE Group complies with Germany's General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz) that governs employees' complaint rights. But formal complaints about the labour practices of REWE Group are not recorded centrally.

See the aspects “Non-discrimination” and “Compliance”.

Aspect: Investment

Management approach: The **Guidelines for Sustainable Business Practices** of REWE Group apply to all business relationships. The guidelines are based on the U.N. Universal Declaration of Human Rights and the conventions of the International Labour Association (ILO), among other principles. They address such issues as a ban on forced labour and exploitative child labour as well as fair employee policies. REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached.

Significant investment agreements and contracts that include human rights clauses or screening

As the evaluation basis for countries where the risk of human rights violations is particularly high, REWE Group uses the list of BSCI¹ risk countries. During the reporting period, no significant investments were made in BSCI risk countries. The majority of REWE Group's own business sites are located in the European Union.

¹ http://www.bsci-intl.org/sites/default/files/countries_risk_classification_final_version_20140109.pdf

Employee training on human rights issues

All employees of REWE Group who work in non-food purchasing in Germany and at REWE Far East receive regular training about relevant sustainability issues. This ensures that the defined social standards, including BSCI, are considered in the selection of suppliers and in the purchasing process.

Aspect: Non-discrimination

Management approach: The corporate culture of 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, the **Guidelines for Sustainable Business Practices** apply to all employees and business partners. These guidelines include a clearly formulated ban on discrimination: "We do not tolerate discrimination in employment and in the workplace for reasons of gender, race, religion, ethnic heritage, age, nationality, marital status, sexual orientation, disability, social background or political orientation." This principle applies to the hiring of new employees, current employees and business partners. Allegations about discrimination are thoroughly investigated.

Incidents of discrimination and corrective actions taken

REWE Group conducts a thorough investigation of discrimination allegations. Should the allegations turn out to be true, disciplinary and possibly personnel measures are taken. No discrimination cases were reported during the reporting period.

Aspect: Freedom of Association and Collective Bargaining

Management approach: The **Guidelines for Sustainable Business Practices** of REWE Group apply to all business relationships. The guidelines are based on the U.N. Universal Declaration of Human Rights and the conventions of the International Labour Association (ILO). They concern a ban on forced labour and exploitative child labour as well as fair employee policies. REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached.

REWE Group takes a risk-based approach to its activities and ensures that production sites in risk countries from which it obtains products are socially audited. Recognised social standards are the Standard of the Business Social Compliance Initiative (BSCI), the SA8000 Standard and the Standard of the International Council of Toy Industries (ICTI).

In 2008, REWE Group joined the BSCI, an alliance of companies that are committed to improving labour and social standards in risk countries. To achieve this goal, BSCI members have developed the BSCI code of conduct. This code was revised in 2014. Its requirements include a renunciation of exploitative child and forced labour as well as freedom of association and collective bargaining.

Drawing on its **Guidelines for Sustainable Business Practices**, REWE Group has also developed a supplier questionnaire that it uses to help suppliers to estimate the level of commitment to sustainability aspects in their company and to improve it. In this regard, see the aspect: "Supplier Human Rights Assessment".

As the evaluation basis for countries where the risk of human rights violations is particularly high, REWE Group uses the list of BSCI risk countries¹. Because the majority of REWE Group's own business sites are located in the European Union, which is not included among risk countries, no supplemental social audits are conducted.

¹ http://www.bsci-intl.org/sites/default/files/countries_risk_classification_final_version_20140109.pdf

Also contains information about G4-HR5, G4-HR6 and G4-HR11

Operations and suppliers identified in which the right to exercise freedom of association may be violated or at risk, and measures taken

REWE Group obtains non-food products, including household goods, primarily from Asian countries. Many of these countries are on the list of BSCI risk countries^{*}. For this reason, REWE Group pays careful attention to ensure that the products it buys come from socially audited production sites in these countries.

REWE Group purchases non-food products through its own purchasing cooperative REWE Far East (RFE) or through other importers. In 2014, 89 per cent of RFE revenue in risk countries was generated in factories that had undergone social audits. The other importers that supply REWE Group with non-food products must also demonstrate that their production sites have undergone a recognised social audit.

Revenue percentage of audited production sites	2013	2014
Revenue generated by REWE Far East with non-food products from socially audited ¹ production sites in risk countries ²	35% ³	89%

Results of audited factories		
Number of non-food production sites in risk countries with a BSCI audit, with a "good" score or a SA 8000 or ICTI certificate	148	226
Number of non-food production sites in risk countries with a BSCI audit and a score of "improvement needed"	126	413
Number of non-food production sites in risk countries with a BSCI audit and a score of "non-compliant"	22	43

¹ BSCI, SA8000, ICTI

² http://www.bsci-intl.org/sites/default/files/countries_risk_classification_final_version_20140109.pdf

³ In 2013, all production sites were not known due to a system conversion, see text.

The result of 35 per cent of socially audited production sites, in terms of RFE revenue, in 2013 was due to a change in the data-collection process. Before 2013, the auditing was conducted on the supplier level. It was then broken down to the much more meaningful level of production sites. For this reason, not all factories from which REWE Group obtained goods through RFE were known in 2013. In 2013 and 2014, REWE Group worked intensely to increase the level of transparency in its supply chains, to directly track the production sites and to have production sites in risk countries undergo audits.

In 2014, more than one-third of production sites received an assessment score of "good" or had a SA8000 or ICTI certificate. The remaining two-thirds of factories must improve their social standards performance. On the basis of this finding, the company is monitoring the implementation of improvement recommendations included in the audit reports and requires the production sites to participate in BSCI training courses. The objective is for buyers and factories to work together on

improving conditions in the workplace. If, on the other hand, the partnerships with production sites that have not completely met all requirements were terminated, the effort to make continuous improvements would be halted.

Since 2013, REWE Group has required producers of primary agricultural products to pledge that they would pay the statutory, negotiated or contractually set wage within the context of their national code of laws as part of the framework agreement on compliance with the core labour standards of the International Labour Organisation (ILO). The suppliers must also demonstrate this compliance to the company. The suppliers are also required to ensure that their own suppliers also meet these standards.

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, Sustainable Agriculture Network (SAN), BSCI). Compliance with these requirements is checked during spot audits.

In 2010, REWE International AG began to require PRO PLANET suppliers of fruit, vegetables and eggs to have the social aspects of their operations evaluated on the basis of GRASP standards.

* http://www.bsci-intl.org/sites/default/files/countries_risk_classification_final_version_20140109.pdf

Aspect: Child Labour

Management approach: See the Aspect "Freedom of Association and Collective Bargaining".

Also contains information about G4-HR11

Operations and suppliers having significant risk for incidents of child labor, and measures taken

See HR4

Aspect: Forced or Compulsory Labour

Management approach: See the Aspect "Freedom of Association and Collective Bargaining".

Also contains information about G4-HR11

Operations and suppliers having significant risk for incidents of forced or compulsory labor, and measures taken

See G4-HR4

Aspect: Supplier Human Rights Assessment

Management approach: As an international trade company, REWE Group obtains a large variety of products and product ingredients from countries outside the European Union. In their purchasing activities, all sales lines must obtain products at favourable terms while also ensuring that production is done in a socially and environmentally conscious manner.

The basic values contained in the **Guidelines for Sustainable Business Practices** also apply to the business partners and suppliers of REWE Group. REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached.

REWE Group strives to make its global supply chain, an operation that is very complex in certain areas, more sustainable in cooperation with its suppliers. This is achieved in part by playing an active role in product and industry initiatives like the Social Business Compliance Initiative (BSCI), the cross-industry guidelines for raw materials and the PRO PLANET sustainability label. See the aspect "Freedom of Association and Collective Bargaining".

Percentage of new suppliers that were screened using human rights criteria

The **Guidelines for Sustainable Business Practices** of REWE Group have one objective: to work with business partners and implement binding standards that apply to their joint supply chain. In 2013/2014, a working group developed a supplier questionnaire that addresses all 16 factors of the guidelines.

With the help of a specially developed algorithm, these factors are measured using nine indicators (the public, goals, measures, measurability, area of responsibility, supply chain, certification, self-evaluation and risk assessment). The extent of sustainability for individual companies and value chain steps is then described. The validation of this approach was conducted during a pilot phase carried out in the second quarter of 2015 with 48 suppliers (food/non-food). The roll-out for other store brand suppliers is planned to start in the fourth quarter of 2015.

Significant human rights impacts in the supply chain

Applying the questionnaire concept described in HR10, REWE Group will be able in future to measure the degree to which the indicators have been achieved. In an additional step, plans have been made to audit 1 per cent to 2 per cent of suppliers and to validate the results. The evaluation scheme makes it possible to identify significant deviations and expresses the degree of achievement as a percentage. Steps are taken if significant deviations are found. Under initial plans, the contract partners will be informed about the corresponding issues. If necessary, steps like certification measures (including BSCI membership or participation in the GRASP module) or training will be recommended. A development plan will then be worked out with the contract partner. The objective is to jointly work on improvements and to support the suppliers' capacity-building processes. See **HR4**, **HR5** and **HR6**.

Aspect: Local Communities

Management Approach: As a result of the company's cooperative tradition, assuming social responsibility comes naturally to REWE Group. It plays an active role in the cities and communities where it does business. And this applies to both its store and administration sites as well as to travel destinations. In these holiday areas, the company is taking steps to prevent children and adolescents from being sexually exploited by tourists. In addition to the programmes organised by REWE Group, independent retailers, store managers and DER Touristik (organiser and sales) carry out their own projects and support local initiatives. They are firmly rooted in their regions and have a deep understanding of their customers' and communities' needs. In each area of the company's social involvement, REWE Group strives to create long-term partnerships designed to effectively and positively change society.

Percentage of operations with implemented local community engagement, impact assessments, and development programs

The business run by REWE Group has a multifaceted impact on the community life at each individual store locations:

- The stores of REWE Group generally create local jobs, including many part-time opportunities.
- When REWE Group decides to build a new store at a particular location, it consults with the local government. For stores with more than 800 square metres of space, a special site designation must be issued, a process that requires a change to the land use plan to be made first. This designation is governed by legal regulations, which include comments from affected residents.
- The impact on the environment is covered by legal standards that REWE Group meets.
- The local needs of communities, including socially disadvantaged groups, are considered in particular by the individual activities of partner retailers.

Operations with actual and potential negative impacts on local communities

None of the retail activities, which, with the exception of BILLA Russia, are conducted exclusively in countries of the European Union and are thus tightly regulated, have a significant negative impact on local communities. This may not always be the case in the area of Travel and Tourism. For this reason, REWE Group has joined the fight against sexual exploitation of minors and violence against children. In cooperation with the non-government organisation ECPAT Deutschland e.V., DER Touristik and especially the business travel specialist FCm TRAVEL Solutions work to prevent children from being sexually exploited. The following steps have been taken:

- **Training in DER Touristik hotels**
- **Training and presentations as part of destination workshops organised by the German Travel Association and ECPTAT Deutschland e.V.**
- **Intensive public relations work (fliers, presence at trade fairs, customer events, press releases internal/external)**
- **Participation in train-the-trainer seminars organised by ECPAT Deutschland e.V. designed to present the special qualities of such places as the business travel area**
- **Membership in the working group on child protection of the German Travel Association**

During the reporting period, DER Touristik conducted 13 seminars in 11 destinations. In addition, trainees and travel agency employees of DER Touristik learned about the issue during a one-day seminar, and a training session for hosts at DER Touristik hotels was conducted. In 2013 and 2014, FCm TRAVEL SOLUTIONS provided information about this issue at such places as trade fairs, conferences and train-the-trainer seminars. In recognition of their efforts, the business travel experts were named a "top member" of the Child Protection Code in 2014. The wide range of activities in the area of business travel was honoured here.

Aspect: Anti-corruption

Management approach: Violations of regulations can have personal consequences (including claims for damages or criminal charges) for individual employees or the board members of REWE Group. This, in turn, could hurt the image of companies in REWE Group. For this reason, the **Guidelines for Sustainable Business Practices** of REWE Group formulate clear principles for fair, incorruptible behaviour.

An anti-corruption system was introduced in 2007. As part of this effort, various codes of conduct were implemented for managers and employees. In addition, an internal anti-corruption officer and an external ombudsman were appointed. In February 2009, REWE Group named a chief compliance officer. And, in June 2010, the internal corporate department Governance & Compliance began to combine and coordinate the activities of REWE Group. Since 2011, it has been supported in its work by decentralised compliance officers in the respective business units and country companies (**see Compliance**). As part of an efficient compliance management system (CMS), drawn from the standard IDW PS 980, REWE Group has set up a compliance programme that comprises a number of preventive steps. Since mid-2011, regular compliance risk analyses have been conducted with the goal of developing further preventive measures. Training for employees and special rules governing ways to handle gifts made to top executives or purchasing departments are also included. For donations, a separate guideline defines minimum requirements and approval processes to be documented.

Percentage of operations assessed for risks related to corruption and risks identified

With the help of an IT-supported tool, corruption risks are systematically recorded and evaluated in REWE Group. Appropriate measures are then developed on the basis of this information. This represents 100 per cent coverage of the strategic business units.

On the basis of a compliance risk analysis in 2012, the focal point addressed during the reporting period was refinement and implementation of appropriate risk management measures. As part of the integration project Governance Risk & Compliance (GRC), business operation risks and compliance risks were jointly ascertained and uniformly evaluated. As a result, risk assessments and measures are being integrated into a group-wide system solution. The process will be completed in 2015.

Communication and training on anti-corruption

In 2013, a mandatory e-learning course called "Compliance Basics" was rolled out across Germany for all administrative employees. The course focused on the correct approach to gifts (anti-corruption). The course was voluntary for top executives. Furthermore, classroom training sessions and counselling were provided to areas vulnerable to corruption like purchasing and expansion (national / international). For 2015, mandatory classroom training sessions for all national / international top executives at REWE Group are planned. This top executive group extends all the way to the third management level.

Since 2013, basic compliance information about tip-off management and the code of conduct have been available on the REWE Group website. In addition, a national business partner mailing (about 14,000 recipients) was carried out in 2013. This mailing reported on the activities being undertaken to fight and prevent corruption and on the whistleblower system. In 2014, a total of 9,526 international business partners were added to the group of recipients. Government agencies, landlords, travel and tourism and business partners with annual revenues of less than 10,000 euros were excluded from the group. Internationally, the countries of Ukraine and Russia were also left out.

Every employee of REWE Group can find basic compliance information in the intranet and in various team rooms.

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

	2013	2013	2014	2014
	Non-managerial level	Managerial level	Non-managerial level	Managerial level
	Total	Total	Total	Total
National Full-Range Stores	0	0	25	75
International Full-Range Stores	318	20	1,211	147
National Discount Stores	0	0	0	0
International Discount Stores	737	2	717	42
Specialist Stores and Partnerships	0	0	0	0
Travel and Tourism	5	2	4,091	127
Other	6,234	787	5,461	1,131
Total	7,294	811	11,505	1,522

Confirmed incidents of corruption and actions taken

Whistleblower tips received by compliance officers are systematically compiled in the compliance tip tool. They are then reviewed and forwarded to the appropriate department – in particular auditing. This department examines the allegations and reports the results and measures to be taken as a result to the 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. Seven credible tips about corruption were received by the Department of Governance & Compliance in each of the years 2013 and 2014. In all instances, labour law measures were taken to address the issues.

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

Aspect: Public Policy

Management approach: To support future-oriented business, nutritional and environmental policies, REWE Group conducts a dialogue with political leaders on various levels. In August 2014, the company opened a capital city office in Berlin to serve as a platform for dialogue and discussion with key stakeholders for the trade industry and REWE Group. In this work, REWE Group excludes no one from the dialogue. During the reporting period, a number of roundtable discussions, background meetings and events were held. Invitations to these meetings were extended to a large number of decision makers without regard for their political party or persuasion. One key focal point of several events organised by the capital city office in Berlin was the issue of healthful diets. In addition, representatives of REWE Group speak directly with elected representatives to raise their awareness level about key issues and to represent the company's interests.

REWE Group has also facilitated discussions about the planned free-trade agreement TTIP. As part of this work, REWE Group sent a letter at the beginning of 2014 to German members of the International Trade, Agriculture and Food committees of the European Parliament to express the company's concerns that TTIP could result in the weakening of food-safety and quality standards in Europe. In addition, REWE Group called for a more transparent decision-making process that would include representatives from agricultural, environmental and consumer protection organisations as well as the trade industry.

Donations made to parties or political groups, elected representatives, government agencies, churches and other religious groups must be approved by the entire Management Board of REWE Group. Every donation must comply with legal regulations and regulatory guidelines at REWE Group, including the code of conduct.

Total value of political contributions

During the reporting period, no donations were made to political parties.

Anti-competitive Behaviour

Management approach: See the aspect "Anti-corruption".

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

During the reporting period, an investigation into allegations of price fixing was pending against REWE-ZENTRALFINANZ eG and REWE Zentral AG. During the same period, an investigation initiated by Austrian anti-trust officials into allegations of price fixing was brought to an end with a settlement.

Aspect: Compliance

Management approach: See the aspect "Anti-corruption".

Fines and sanctions for non-compliance with laws and regulations

During the reporting period, no sanctions were imposed as a result of legal violations.

Aspect: Supplier Assessment for Impacts on Society

Management approach: As an international trade company, REWE Group obtains a large variety of products and product ingredients from countries outside the European Union. In their purchasing activities, all sales lines must obtain products at favourable terms while also ensuring that production is done in a socially and environmentally conscious manner.

The basic values contained in the **Guidelines for Sustainable Business Practices** also apply to the business partners and suppliers of REWE Group. REWE Group reserves the right to apply sanctions when the values contained in the guidelines are deliberately and flagrantly breached.

REWE Group strives to make its very complex global supply chain more sustainable in cooperation with its suppliers. This is achieved in part by guidelines for raw materials, the PRO PLANET process, establishing industry initiatives and playing an active role in platforms like the Forum for Sustainable Palm Oil (FONAP), the German Initiative on Sustainable Cocoa (GISCO) and the Social Business Compliance Initiative (BSCI).

Percentage of new suppliers that were screened using criteria for impacts on society

The **Guidelines for Sustainable Business Practices** at REWE Group reflect one key goal of REWE Group: to work with business partners and implement binding standards that apply to their joint supply chain. In 2013/2014, a working group developed a supplier questionnaire that addresses all 16 factors of the guidelines.

With the help of a specially developed algorithm, these factors are measured using new indicators (the public, goals, measures, measurability, area of responsibility, supply chain, certification, self-evaluation and risk assessment). The extent of sustainability for individual companies and value chain steps is then described. The validation of this approach was conducted during a pilot phase carried out in the second quarter of 2015 with 48 suppliers (food/non-food). The roll-out for other store brand suppliers is planned to start in the fourth quarter of 2015.

Negative impacts on society in the supply chain and actions taken

Based on the questionnaire concept described in SO9, REWE Group will be able to measure the degree to which the indicators have been achieved. In an additional step, plans have been made to audit 1 per cent to 2 per cent of suppliers and to validate the results. The evaluation scheme makes it possible to identify significant deviations and expresses the degree of achievement as a percentage. Steps are taken if significant deviations are found. Under initial plans, the contract partners will be informed about the corresponding issues. If necessary, steps like certification measures (including BSCI membership or participation in the GRASP module) or training will be recommended. A development plan will then be worked out with the contract partner. The objective is to jointly work on improvements and to support the suppliers' capacity-building processes.

Aspect: Grievance Mechanisms for Impacts on Society

Management approach: Integrity is a fundamental aspect of REWE Group's company policies. To facilitate this, REWE Group has created an anti-corruption system that also covers complaint mechanisms.

See the aspect “Anti-corruption”.

Number of grievances about impacts on society

Formal complaints can be addressed to a number of different departments at REWE Group, including compliance, quality management and purchasing. They can also be sent directly to the stores themselves. For this reason, a comprehensive overview of the submitted complaints cannot be created.

Aspect: Customer Health and Safety

Management approach: To ensure the quality and safety of its products, REWE Group has introduced a comprehensive, cross-stage quality assurance system that extends along the entire value chain in its core business of trade. The system comprises such preventive measures as the preparation of product guidelines, systematic issue monitoring, controls, audits and consumer tips about the proper way to use products at home. A system of key performance indicators introduced in 2010 makes compliance with legal and company quality standards more measurable and transparent. The key performance indicators, including the results of internal microbiological analyses or rates of complaints, are prepared quarterly, evaluated and presented in the management report of REWE Group's quality management.

A special focal point of quality management is store brand products: The combine defines special requirements for the products and suppliers to meet in all steps along the value chain – from raw materials and recipes to labelling and packaging. These specifications form the basis for regular spot checks conducted by independent accredited testing institutes. The spot checks 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 combine has an annual "Status Report on Chemical Pesticides" prepared for Germany. The reports have been compiled and released by the Austrian environmental organisation GLOBAL 2000 since 2009.

In addition to the products themselves, other links in the value chain are examined: All store-brand suppliers in the food area must be certified according to the internationally recognised standard IFS Food or the standard of the British Retail Consortium (BRC). Furthermore, REWE Group conducts additional supplier audits on the basis of a risk analysis. This involves evaluating a number of key performance indicators like dissatisfaction with products, customer complaints and the risk classification of the product group. Manufacturers and suppliers who fail to meet REWE Group's quality standards are asked to remedy the situation. Otherwise, they face the possibility of being delisted.

Annual audits of the company's warehouses are conducted by internal auditors as well as by independent external organisations. All areas of the warehouse are included in these audits, from goods receipt 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 REWE Group's food stores. The external inspections are conducted on the basis of checklists prepared by QS 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.

Percentage of significant product and service categories for which health and safety impacts are assessed

As part of its quality management, REWE Group systematically conducts health and safety audits through the entire product lifecycle.

Health and safety audits (absolute figures)	2012	2013	2014
Supplier audits	338	385	434
Independent product tests EM	26,570	24,658	22,784
External warehouse audits	59	69	65
External store audits	3,382	3,582	3,468
Tests of products made in stores	3,732	3,930	5,671
Total number of audits	34,081	32,624	32,422

Like the previous report, all figures apply to REWE Group in Germany. In addition, the results are reviewed by external control organisations (IFS, QS-GmbH, etc.).

Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services

In 2013, REWE Group had five public product recalls. Three recalls involved suspicions that horse meat had been used in place of beef that was shown on the label. The products were REWE Beste Wahl Chili Con Carne, REWE Spaghetti Bolognese and Corbell (PENNY) Gypsy Hamburger Steak. In response to this fraudulent practice that affected the entire food retail sector, REWE Group decided to use only German beef in its store brand convenience foods. Another recall affected Bebivita Milk Rice of REWE. It was ordered as a result of foreign substances found in the product. The fifth recall involved Gut Erkenloh pork mince (PENNY). It was ordered after microbiological tests found that threshold values had been exceeded.

Five public recalls also occurred in 2014. Three of them involved the frozen broccoli of the brands Bio, Greenland and REWE. The recall was ordered after residues of chlorate were discovered. Mühlenhof ground beef (PENNY) and Timbu spice mills were recalled because of foreign substances.

In every case, customers were able to return the product and get their money back.

Aspect: Product and Service Labeling

Management approach: Information about the ingredients and product features of foods make it easier for customers to take their purchasing decisions and protect consumers with allergies or intolerances from certain ingredients. In labelling products, REWE Group not only meets legally mandated information requirements, but also exceeds them in many ways. This commitment is reflected first in the provision of clear nutritional information labelling on all food packages of the store brands sold by REWE and PENNY. Furthermore, it involves information about sustainability aspects. This is part of the company's strategic objective to promote sustainable consumption in the pillar Green Products. With its PRO PLANET process, REWE Group has created a system that enables it to clearly and transparently provide sustainability information on products. As a result, the PRO PLANET label serves as a compass for consumers. In addition, REWE Group uses external labels to mark its store brands and has separate labels for organic and regional products.

As part of its Guideline for Fish, Crustacean and Molluscs (formerly the Guideline for Purchasing Sustainable Wild Fish), REWE Group introduced a tracking code for store brand fish products in 2012. With this code, customers can go online and learn about the supply chain for the fish product. In addition, the first aquaculture products can now be tracked online all the way back to the farming region. All fresh fish counters at REWE stores have been certified by the Marine Stewardship Council (MSC) since 2009 and by the Aquaculture Stewardship Council (ASC) since 2012.

Principles/ procedures for product and service information and labelling

The products of REWE Group are labelled in accordance with legal requirements regarding their origin, composition and usage (including the expiration date). In addition, products contain sustainability information provided as part of the Sustainability Strategy.

Key types of labels are:

- The PRO PLANET label: Number of labelled products: Germany 2013: 557; 2014: 622; Austria: 2013: 220; 2014 251;
- TÜV exclusive label: 2013: 158 TÜV-certified products; 2014: 211 TÜV-certified products, a total of 3,134 TÜV-certified products
- Tracking code for wild fish: more than 70 products
- Labelling of the farming form for hens regarding products whose egg content serves as a key ingredient and products whose egg content is listed in the standard description.

In 2014, the name of the actual production company began to be included on the store brand products sold by PENNY and REWE. In taking this step, PENNY and REWE responded to consumers' desire for more transparency in the supply chain:

REWE 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.

Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling

REWE Group does not release figures related to violations that resulted in warnings or fines because these numbers require extensive explanation and could be used against the company without any detailed information about the causes.

Results of surveys measuring customer satisfaction

REWE Group employs an institutionalised system to gain and evaluate customer feedback: A central customer service unit also handles complaints and questions. All incoming customer complaints are examined in terms of initiators and reasons. Should a number of complaints be received, quality management will contact the supplier and enable this company to take corrective action by applying appropriate measures. The complaint rate is evaluated by product group and is considered in the supplier's performance evaluation.

In addition, REWE Group tracks customer satisfaction in annual surveys. Results show that customer satisfaction has continuously improved.

Aspect: Marketing Communications

Management approach: As a matter of principle, 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, 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 for Sustainable Business Practices, REWE Group expresses its explicit commitment to complying with applicable consumer-protection regulations and to employing appropriate sales, marketing and information practices in communications with consumers. As a way of considering these factors in the advertising concepts, the company's ads are approved by the Sustainability Department before being published.

Sale of banned or disputed products

REWE Group sells no products that are banned by the laws of the country where it does business. In line with its guidelines, REWE Group also avoids the use of controversial raw materials in its products or replaces them:

- **Guideline for Ecological Products:** To the greatest extent possible, countries that have become the target of criticism are removed from the company's list of raw material suppliers.
- **Guideline for Soy in Animal Feed:** This guideline defines feed that is free of genetically modified substances as a requirement. It also stipulates and encourages the substitution of soybean meal imported from South America with German and European protein feed.
- **Guideline for Fish, Crustacean and Molluscs / Status Report Fish:** The selection of wild fish sold by REWE Group is based on the regularly updated "orientation list for sustainable wild fish". This list draws on the findings of leading environmental organisations (such as Greenpeace, WWF, Monterey Bay Aquarium, Fishsource). No endangered wild fish will be sold as a result.
- **Guideline for Natural Stone Products:** Expansion of the range of certified and labelled natural stone products from more sustainable production.
- **Guideline for Palm Oil:** Replacement of palm (kernel) oil with other vegetable fats and oils or the conversion to certified, more sustainable palm (kernel) oil products. In the food area, 90 per cent has already been converted using the mass-balance approach and segregation. The total is nearly 30 per cent in the non-food area.
- **Guideline for Cocoa:** By the end of 2015, all store brands should have completed the conversion process to cocoa that has met the three recognised certification standards Fair Trade, Rainforest Alliance and UTZ certified. At the end of 2014, 86 per cent of the cocoa used in the products had been converted.

Incidents of non-compliance with regulations and voluntary codes concerning marketing communications

In the reporting period 2013/2014, no significant violations were known.

Aspect: Customer Privacy

Management approach: As a matter of principle, REWE Group handles personal data confidentially. REWE Group secures these data in accordance with legal requirements. REWE Group has made this practice a high priority – particularly in light of the growing online business being conducted by its sales brands.

REWE Group documents, reviews and processes every inquiry by a customer or data protection authority regarding personal data. Internal and external data protection officers (currently, this totals seven for 49 companies) monitor the legally compliant handling of data and the processing programmes being used. In addition, they work on the modification of company-specific data protection and data security measures and advise organisational units and departments. The data protection officers report directly to the top management of the companies or the Managing Board of REWE Group.

During the reporting period, the security of data on the servers of service providers was increased in response to corresponding instruction. Organisationally, this effort was supported by the dissemination of additional guidelines on data protection and data security. In addition, awareness programmes are increasingly being offered as a way of boosting all employees' knowledge about data protection and data security.

In 2013, video monitoring became a major issue following a report broadcast by the German TV magazine Frontal 21. Following the broadcast, the Managing Board instructed a task force to review the conditions for the legally compliant use of video monitoring measures in the company's stores and to define them in a more binding manner if necessary. On the basis of a threat-classification process developed during this review, all PENNY stores were evaluated. New requirements for video monitoring in stores are now being measured on the basis of it.

Substantiated complaints regarding breaches of customer privacy

In the reporting period 2013/2014, a total of 91 legitimate complaints involving data-protection violations were made against REWE Group Germany. 20 of these were made by regulatory authorities. 55 complaints were filed against DER Touristik. The chief reason for this high number was the traveltainment incident in 2013.

Aspect: Compliance

Management approach: See **G4-56** through **G4-58** as well as **G4-S03** through **G4-S05**.

Significant fines concerning the provision and use of products and services

During the reporting period, no significant fines were paid (area of application: Germany).