

REWE Group Declaration of Principles



CONTENTS

I.	FOREWORD BY THE REWE GROUP MANAGEMENT BOARD	1
II.	COMMITMENT OF REWE GROUP TO RESPECT HUMAN RIGHTS AND THE ENVIRONMENT.....	2
III.	REWE GROUP'S APPROACH TO THE IMPLEMENTATION OF HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE.....	3
	3.1 Risk Analysis in the Supply Chains and in Our Own Business Area	3
	3.2 Preventive Measures.....	4
	3.3 Grievance Mechanism	6
	3.4 Management of Potential Violations	7
	3.5 Effectiveness Monitoring.....	7
IV.	RESPONSIBILITIES FOR HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE AT REWE GROUP	8
V.	OUTLOOK AND REPORTING.....	8

I. FOREWORD BY THE REWE GROUP MANAGEMENT BOARD

As a leading international trade and tourism company, REWE Group¹ is aware of its responsibility within the global flow of goods and services. We can only be successful in the long term if the impact of both our business activities and those of our suppliers is in compliance with people and the environment. It is therefore our goal to strengthen human rights and environmental due diligence and to prevent, minimize, and remedy any violations.

¹ In this Declaration of Principles, REWE Group refers to all legal entities of REWE-ZENTRALFINANZ eG over which REWE-ZENTRALFINANZ eG exercises a determining influence.

This commitment applies both to our own business operations and to our global supply chains. As a cooperative company with almost 100 years of tradition, a commitment to respecting human rights and environmental due diligence means assuming responsibility for our actions and for the impact of our decisions on people and the environment along the entire supply and value chain. Values such as solidarity, community, and sustainability are firmly embedded in our corporate culture. Our core business, trade and tourism, is directly and indirectly linked to the lives of millions of people every day. Therefore, it is important for us to take a clear stance in our commitment to a sustainable society.

II. COMMITMENT OF REWE GROUP TO RESPECT HUMAN RIGHTS AND THE ENVIRONMENT

To emphasize and make tangible the strong commitment to human rights and environmental due diligence within its own business area and global supply chains, REWE Group aligns its business activities with the following internationally applicable standards and guidelines:

UN Universal Declaration of Human Rights (UDHR)
UN Guiding Principles on Business and Human Rights (UNGPR)
Conventions and recommendations of the International Labor Organization (ILO) on labor and social standards
UN Global Compact (UNGC)
UN Convention on the Rights of the Child
UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
Priority Industry Principles on Forced Labor of the Consumer Goods Forum (CGF)
UN Women's Empowerment Principles (WEPPs)
International Covenant on Civil and Political Rights of December 19, 1966
International Covenant on Economic, Social and Cultural Rights of December 19, 1966
Minamata Convention on Mercury of October 10, 2013 (Minamata Convention)
Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989 (Basel Convention)
Stockholm Convention on Persistent Organic Pollutants of May 23, 2001 (POP Convention)

The implementation of the principles laid down therein and the protection of the legal positions emphasized by these conventions are embedded in the daily actions of all employees in many areas of REWE Group.

REWE Group expects all employees and suppliers to comply with applicable laws and regulations as well as internationally recognized human rights and environmental standards.

REWE Group expects its own employees to comply with the guidelines set out in this Declaration of Principles and the REWE Group Code of Conduct in their daily decisions. REWE Group expects its risk suppliers, in particular, to accept and comply with the Supplier Code of

Conduct. At the same time, they are requested to communicate this expectation to their suppliers.

III. REWE GROUP'S APPROACH TO THE IMPLEMENTATION OF HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE

As part of the numerous business activities of an international trade and tourism company, people at REWE Group and those along its supply chains are exposed to various human rights and environmental risks. Comprehensive and uniform management of these risks helps to prevent, minimize, or eliminate any violations of the human rights and environmental rights of potentially affected parties. In this way, REWE Group creates trust among its employees, business partners, suppliers, and, ultimately, its customers, and contributes to fair cooperation. REWE Group understands the management of human rights and environmental risks as a system of continuous and interrelated due diligence processes that are firmly integrated into operation procedures.

Detailed analyses of abstract and concrete risks are used to identify potentially adverse effects on human rights and the environment as well as potentially affected parties in the company's own business area and in the supply chains. REWE Group derives specific priority risks from the findings and defines corresponding targets to prevent and minimize risks. Following risk assessment and prioritization, REWE Group takes preventive measures in its own business area and in the supply chains. Where possible, relevant stakeholders are involved and information from the grievance mechanism is used. The activities carried out are reviewed for their effectiveness and continuously refined. The processes and results are documented and stored accordingly and are included in the reporting to the Federal Office of Economics and Export Control in accordance with Section 10 (2) LkSG.

The processes outlined in detail in chapters 3.1 to 3.5 form the basis of REWE Group's holistic and continuous risk management with regard to human rights and environmental due diligence.

3.1 Risk Analysis in the Supply Chains and in Our Own Business Area

REWE Group's human rights and environmental risk analyses serve to identify and evaluate the corresponding potential and actual effects of its own business activities and those of its suppliers along the entire supply chain.

REWE Group therefore continuously examines where there are particular risks of violation of human rights and of environmental due diligence obligations in its own business area and in its supply chains. With the help of annual and event-based risk analyses, REWE Group identifies and evaluates the relevant human rights and environmental risks in its own business area and for direct suppliers. For indirect suppliers of REWE Group, a risk analysis is carried out on an ad hoc basis if there are actual indications of a violation of human rights or environmental due diligence obligation (substantiated knowledge).

In its own business area, REWE Group determines the risk classification for each subsidiary, taking into account various information, including industry- and country-specific risks, and applying the appropriateness criteria specified in the LkSG. The results are also supplemented by anonymized findings from REWE Group's grievance channels.

In the supply chain, REWE Group identifies industry-, commodity-, and country-specific risks of suppliers using the appropriateness criteria specified in the LkSG. In addition, the findings from the grievance procedures and the expertise of the responsible employees, who are in regular contact with suppliers and civil society organizations, are incorporated into the risk analysis.

The analyses include all legal positions that are protected by the above-mentioned applicable conventions and laws and to which the Supply Chain Due Diligence Act explicitly refers. Due to extensive existing preventive measures, REWE Group has not prioritized any risks in its own business area. In the supply chain, forced labor and all forms of slavery, the withholding of appropriate wages, child labor, and the disregard of occupational health and safety and work-related health hazards have been prioritized as risks. The prioritization of risks is reviewed regularly. REWE Group will publish any changes to the prioritized risks in the next update of the Declaration of Principles.

The results of the risk analyses are continuously incorporated into REWE Group's corporate decision-making processes with regard to internal business strategies as well as supplier selection and management. They form the basis for the identification of appropriate targets, preventive measures, and, if necessary, remedial measures.

3.2 Preventive Measures

REWE Group has been working for years to strengthen human rights, improve working conditions, and promote fair trade through specific projects and measures.

The following guidelines, which apply to various business areas of REWE Group, are important tools to make our own business area and supply chains more sustainable. They form the binding framework for all employees and suppliers and define specific measures and targets:

REWE Group Code of Conduct
REWE Group Code of Conduct for Suppliers
REWE Group Guideline for Sustainable Business Practices
REWE Group Guideline on Fairness
DERTOUR Group Code of Conduct for Suppliers
DERTOUR Group Policy Statement on Child Safeguarding
REWE Group Guideline on Living Wages and Incomes
REWE Group Guideline on Women in the Supply Chain
REWE Group Guideline for the Prevention of Child Labor
REWE Group Guideline on Water Protection in the Supply Chain
REWE Group Guideline on Fish and Seafood
REWE Group Guideline on Coffee

REWE Group Guideline on Cocoa Products
REWE Group Guideline on Juices
REWE Group Guideline on Palm Oil and Palm Kernel Oil Products
REWE Group Guideline on Organic Products
REWE Group Guideline on Soy in Animal Feed
REWE Group Guideline on Tea Products
REWE Group Guideline on Microplastics in Cosmetic Products
REWE Group Guideline on More Sustainable Textiles
REWE Group Guideline on Natural Stone Products
REWE Group Guideline on More Environmentally Friendly Packaging
REWE Group Guideline on Circular Economy

The management ensures the compliance with these guidelines as well as the consideration of human and environmental rights both in its own business area and in purchasing decisions.

In addition to the guidelines, there are various other preventive measures that REWE Group and individual business units have been applying, in some cases for many years. In view of the prioritized risks and the findings from previous years, the following central prevention measures are currently being implemented.

Measures in our own business area: REWE Group incorporates human rights and environmental issues in its workforce through guidelines, internal awareness raising through employee training (e.g., diversity training and occupational safety training), and through the inclusion officer. This is also achieved through the continuous review of targets and measures for their suitability, the regular monitoring of our procurement and purchasing strategies, and the Group-wide Code of Conduct for Employees.

Measures in the supply chain: REWE Group addresses the risks that arise in the supply chain with regard to the area of action of people and the environment in a targeted manner through systematic supply chain management. This is characterized by close cooperation with suppliers as well as commitment at the level of production sites and raw material production, especially through its local procurement companies.

In summary, the following measures are currently being implemented in the supply chain: development and implementation of appropriate procurement strategies and purchasing practices, integration of expectations in supplier selection (e.g., through queries on environmental aspects and human rights risk criteria of suppliers in certain tendering processes), obtaining contractual assurances for compliance with and implementation of expectations of risk suppliers, training and further education to enforce contractual assurances and agreements, and implementation of risk-based control measures. REWE Group's goal is to oblige its risk suppliers to comply with the Supplier Code of Conduct. Suppliers within the scope of application of the Fairness Guideline in REWE Group's private label supply chains are obliged to name the production facilities where products are manufactured for REWE Group. By raising

the suppliers' awareness and holding them accountable, concrete rules are created to implement human rights and environmental protection measures throughout the supply chain.

Further measures in cooperation with stakeholders: In the long term, sustainability along the supply chain can only be achieved through cooperation with all relevant stakeholders. REWE Group is in continuous dialog with many stakeholders and is involved in various national and international initiatives, alliances, forums, and stakeholder dialogs. Key elements include participation in external events, cooperation in multi-stakeholder initiatives, industry initiatives, partnerships, involvement in the further development of sustainability standards, and monitoring of relevant developments at the political and regulatory level. As part of the further development of the human rights strategy, REWE Group is examining where the increased involvement of rights holders and potentially affected parties appears possible and appropriate.

At the same time, REWE Group is aware that respect for human rights and the enforcement of fair working conditions also depend strongly on states adopting and implementing effective human rights and environmental regulations and measures at the local level in order to fulfil their duty of protection.

3.3 Grievance Mechanism

Appropriate and effective grievance management is an integral part of REWE Group's human rights strategy. Grievance procedures enable individuals or groups who are affected by adverse effects on human rights or feel threatened by them, as well as their representatives, to raise their concerns. In this way, potentially adverse effects can be identified at an early stage, and appropriate measures can be taken to prevent violations, avoid them in future, and to take remedial action.

REWE Group has implemented a [grievance procedure](#) that allows employees and other potentially affected groups of people to report potential human rights and environmental violations at any time. The publicly accessible [rules of procedure](#) describe the reporting process for these topics. All reported grievances and substantiated suspicions of possible violations of human rights and of environmental due diligence obligations are dealt with as part of a transparent, balanced, and predictable process for all parties involved. The confidentiality and anonymity of whistleblowers is respected. REWE Group ensures, as far as possible and within its sphere of influence, that whistleblowers are protected from discrimination and punishment in connection with the grievances submitted. Irrespective of the channel through which the grievance is received, it is documented and checked for admissibility. The grievance is then investigated—for example through discussions with suppliers, on-site visits, or in the form of interviews with the persons concerned, industry initiatives or NGOs. If a risk or a violation of human rights or environmental due diligence obligations is identified in this context, measures are developed, initiated, and reviewed for their effectiveness. The systematic handling of grievances and the knowledge gained from them enables REWE Group to continuously improve its human rights due diligence processes.

In addition to REWE Group's grievance system, there are already approaches for external grievance mechanisms. These are provided by external parties, such as government institutions, trade unions, multi-stakeholder organizations, associations, or other companies in the supply and value chain, and are intended to ensure that those affected can address their grievance to other bodies, if they cannot make progress in their own company. REWE Group is committed to promoting these grievance mechanisms.

3.4 Management of Potential Violations

If REWE Group detects that its business activities contribute to potential or actual human rights violations or are indirectly linked to them, REWE Group takes appropriate preventive or remedial measures. For this purpose, internal processes have been further developed that define the procedures when potential grievances are detected as well as appropriate remedial measures in the company's own business area and at direct and indirect suppliers.

If REWE Group has a well-founded suspicion or concrete indication of possible human rights violations in its own business area, it immediately takes measures to put an end to the violation or minimize the risk.

In the event a supplier has violated human rights or environmental legal positions, REWE Group cooperates with the supplier to jointly develop remedial measures. These range from the cessation of the behavior causing the violation by the supplier, to preventive measures through training and audits, to other efforts to find appropriate remedies. REWE Group expects its suppliers to implement appropriate remedial measures. REWE Group reserves the right to contractually oblige its suppliers to support clarification of the facts and to cooperate fully within a reasonable time frame.

Depending on the severity of the violation, REWE Group will take appropriate action, ranging from the request for immediate elimination of the violation through to legal action.

3.5 Effectiveness Monitoring

REWE Group monitors the effectiveness of measures introduced in its own business area and within its supply chains as part of an annual and event-based effectiveness monitoring. The focus here is on priority risks as well as the impact and goals of the measures. To review the measures, impact hypotheses are formed, which are then compared with the available information on the individual measure to confirm its effectiveness. If an impact hypothesis cannot be confirmed, the measure is reviewed to determine if changes are necessary.

REWE Group also reviews the effectiveness of its existing grievance mechanisms using the eight effectiveness criteria for non-judicial grievance mechanisms of the UN Guiding Principles on Business and Human Rights once a year and on an ad hoc basis in the event of significant changes in the risk situation or concrete indications of restrictions in grievance management. Individual REWE Group business units cooperate actively with industry

initiatives to jointly develop and operate effective grievance mechanisms in selected supply chains.

In addition to the above-mentioned effectiveness monitoring, REWE Group's entire human rights and environmental risk management is reviewed annually for appropriateness and effectiveness. For this purpose, the results of the effectiveness monitoring of the measures, the grievance procedure, and the findings from the monitoring carried out by the Human Rights Officer are aggregated and used as a basis for the assessment. Based on the results, the exchange with external experts and stakeholders, suppliers and NGOs as well as its risk analysis, REWE Group aims to continuously improve and further develop its human rights and environmental management.

IV. RESPONSIBILITIES FOR HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE AT REWE GROUP

The Management Board of REWE Group is ultimately responsible for implementing and complying with the REWE Group Declaration of Principles. In the REWE Group sales lines, the executives monitor the operational implementation of the declared corporate principles. Regular and event-based internal reporting to these departments on the results of risk analyses relating to human rights and the environment, information from the grievance mechanisms, and information on the effectiveness of remedial and preventive measures taken ensure informed decision-making. REWE Group's central Human Rights Officer is also responsible for monitoring the risk management system and other tasks. Among other things, she is responsible for ensuring that the management of human rights and environmental due diligence is continuously reviewed and improved. She is also responsible for providing regular and ad hoc information to the Management Board and the relevant committees as well as external reporting on human rights and environmental due diligence. A central implementation unit for the LkSG and the relevant specialist departments, in particular the central Compliance department, the Human Resources department, Purchasing, and the Sustainability Departments of the divisions, are responsible for the operational implementation of human rights and environmental due diligence processes. These are supported by other specialist departments.

V. OUTLOOK AND REPORTING

REWE Group is aware that implementing human rights and environmental due diligence in its own business activities and in supply chains is an ongoing process. REWE Group accepts this challenge and regularly reviews its strategic approaches and measures with the aim of continuous improvement. REWE Group provides regular and transparent information on implementation and strategic developments as part of its sustainability reporting and in its LkSG report, which is submitted to the Federal Office of Economics and Export Control and made publicly available in accordance with legal requirements.



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