

Implementation Plan | Climate targets for REWE and PENNY Germany

01 Formulation of the target



The REWE GROUP bases its climate strategy on the 1.5-degree path set out in the Paris Agreement.

To this end, REWE and PENNY Germany are pursuing the goal of achieving **net-zero greenhouse gas emissions by 2050 at the latest**. For REWE and PENNY Germany, this means a commitment to reduce greenhouse gas emissions by 2030, compared with the base year 2021, as follows:

- **absolute Scope 1 and Scope 2 greenhouse gas emissions by 42 per cent,**
- **absolute Scope 3 non-FLAG greenhouse gas emissions by 42 per cent,**
- **absolute Scope 3 FLAG greenhouse gas emissions by 30.3 per cent.**

Information:

All reduction targets are based on the base year 2021. The above-mentioned emissions targets set by REWE and PENNY in Germany have been validated by the SBTi since December 2024.

Explanatory notes:

Scope 1 comprises direct greenhouse gas emissions from own or controlled sources. Scope 2 comprises indirect greenhouse gas emissions from purchased energy such as electricity or heat. Scope 3 comprises other indirect greenhouse gas emissions along the value chain, for example from suppliers, in agriculture, during transport or from products. FLAG refers to emissions from agriculture, forestry and land use. Non-FLAG refers to all other Scope 3 emissions outside these sectors.

02 Interim targets and roadmap

Scope 1 and 2 emissions

Achieving the Scope 1 and Scope 2 targets requires significant investment in energy efficiency, renewable energy and infrastructure to reduce greenhouse gas emissions. At the same time, progress depends on external factors such as regulatory developments, energy efficiency standards and the availability of alternative energy sources. Individual measures, particularly in the area of low-emission logistics, are not expected to be widely available and scalable until towards the end of the decade.

Current situation (2025)

REWE and PENNY Germany have already reduced their Scope 1 and Scope 2 emissions by 16 per cent compared with 2021.

By 2025

Status in 2023: 8% reduction

Status in 2024: 10% reduction

Status in 2025: 16% reduction

The main drivers were the switch to refrigerants with a lower global warming potential, the increased use of heat pumps and further measures to improve energy efficiency.

Interim targets

By 2030

Target for 2028: 25% reduction

Target for 2029: 32% reduction

Target for 2030: 42% reduction

Scope 3 non-FLAG emissions

Current status (2025)

REWE and PENNY Germany have reduced their Scope 3 non-FLAG emissions by 5 per cent compared with the base year 2021. Key drivers were the ongoing decarbonisation of the German electricity mix, as well as a more subdued consumer demand due to the continuing challenging economic environment.

By 2025

Status in 2023: 14 % reduction

Status 2024: 3 % reduction

Status 2025: 5 % reduction

Interim targets

By 2030

Target for 2028: 25% reduction

Target for 2029: 32% reduction

Target for 2030: 42% reduction

Scope 3 FLAG emissions

Current situation (2025)

REWE and PENNY Germany have reduced their Scope 3 FLAG emissions by 4 per cent compared with the base year 2021. This trend was influenced by various consumer trends and was partly supported by measures taken as part of the protein strategy.

By 2025

Status in 2023: 7% reduction

Status in 2024: 4% reduction

Status 2025: 4% reduction

Interim targets

By 2030

Target for 2028: 18% reduction

Target for 2029: 23 per cent reduction

Target for 2030: 30.3% reduction

Long-term targets for all scopes

2030–2050

REWE and PENNY Germany will gradually develop and publish measurable interim targets for the period after 2030, based on future progress, technological developments and regulatory requirements.

Residual emissions will only be neutralised in accordance with the SBTi, likely from 2050 onwards, following maximum reduction through CO₂ removal solutions¹.

03 Action Plan

A. Own business operations (Scope 1 and 2)

Energy efficiency in stores, logistics and buildings

Action	Contribution
Continuous reduction in electricity consumption per unit of retail floor space	Reduction in electricity demand and indirect emissions
Energy efficiency measures in lighting and refrigeration systems	Reduction in electricity demand and indirect emissions
Implementation of energy management systems in accordance with ISO 50001	Systematic identification and implementation of energy-saving measures
Expansion of the use of heat pumps in shops and buildings	Reducing reliance on fossil fuels and lowering Scope 1 emissions
Since 2008, 523 stores operated by REWE and PENNY in Germany have been built in accordance with the criteria of the German Sustainable Building Council (DGNB); by 2024, this figure had risen to 448 stores	Reducing energy consumption and emissions, and using more sustainable materials
Switchover to refrigerants with a lower global warming potential in stores and logistics	Reduction of direct greenhouse gas emissions

¹ CO₂ removal solutions are processes used to remove carbon dioxide from the atmosphere and store it as permanently as possible.

Renewable energy

Measure	Contribution
Procurement of certified green electricity since 2008	Reduction in Scope 2 emissions
Expansion of photovoltaic and other renewable energy sources	Decarbonisation of the energy supply
Long-term power purchase agreements (PPAs), for example for the Borkum Riffgrund 3 wind farm, which is designed to supply 1,500 stores in future	Long-term securing of renewable energy and reduction of Scope 2 emissions (contract term: 10 years)
Reduction in the consumption of fossil fuels, including district heating	Reduction of Scope 1 emissions

Lower-emission mobility and logistics

Measure	Contribution
Expansion of electric and hybrid vehicles in the lorry fleet, e.g. in the REWE Lieferservice / REWE delivery service in Germany with 126 electric delivery vehicles	Reduction in transport-related emissions
Electrification of the passenger car fleet	Decarbonisation of corporate mobility
Electrification of transport operations	Reduction of Scope 1 emissions from logistics

B. Scope 3 non-FLAG: emissions along our value chain outside agriculture

Climate action in the supply chain

Measure	Contribution
Involvement in the international GSTA (Global Sustainable Transition Alliance) initiative to establish an internationally harmonised standard for calculating product emissions	Development of industry-wide standards for emissions calculation
Supporting REWE and PENNY Germany's private label suppliers with SBTi commitments and SBTi validations as part of the 'Together for Greater Climate Protection' initiative. By the end of 2025, 226 suppliers (accounting for 52.3 per cent of product-related private label emissions) from the German retail sector had already made an SBTi commitment or achieved SBTi validation	Reduction of upstream emissions
Supporting our private label suppliers through various knowledge resources (webinars, roundtables, one-pagers) on topics such as carbon footprints, climate targets, SBTi, implementation measures and best practices	Development and implementation of sectoral reduction pathways
Dialogues with private label suppliers on climate protection measures	
Promoting renewable energy and energy efficiency amongst suppliers (e.g. through the 'Zukunftsbauer' initiative by PENNY Germany and the Berchtesgadener Land dairy, which supports farmers in converting their farms to renewable energy, amongst other things)	Reduction of product-related emissions

Low-emission logistics and transport

Measure	Contribution
Use of alternative propulsion technologies in logistics	Decarbonisation of supply chain logistics
More regional and seasonal sourcing	Reduction of transport- and production-related emissions

Resource-efficient packaging

Measure	Contribution
Use of recyclate materials and bio-based plastics to reduce the use of primary fossil raw materials	Reduction of raw material-related emissions
Reduction in material usage for private label packaging	Reduction in resource consumption and emissions
Reducing the use of plastics in private label packaging	Reducing emissions caused by materials
Increasing the recyclate content in private label single-use PET beverage bottles	Reducing the use of emission-intensive primary raw materials
Increasing the recyclate content in private label packaging	Promoting the circular economy and reducing emissions
Increasing recyclability and the recyclate content	Improving the recyclability of packaging

Circular economy and prevention of food waste

Measure	Contribution
Expansion of reusable and zero-waste options	Reduction of packaging materials and emissions
Measures to tackle food waste, for example through forecasting systems, automated orders and partnerships with food banks and food-sharing initiatives	Reduction of avoidable emissions along the value chain

C. Scope 3 FLAG: emissions from agriculture, forestry and land use

Climate protection in agricultural supply chains

Measure	Contribution
Involvement in the international GSTA (Global Sustainable Transition Alliance) initiative to establish an internationally harmonised standard for calculating product emissions	Development of industry-wide standards for emissions calculation
Support for REWE and PENNY Germany's private label suppliers with SBTi commitments and SBTi validations as part of the 'Together for Greater Climate Protection' initiative. By the end of 2025, 226 suppliers (accounting for 52.3% of product-related private label emissions) from the German retail sector had already made an SBTi commitment or achieved SBTi validation	Reduction of upstream emissions Development and implementation of sectoral reduction pathways
Supporting our private label suppliers through various knowledge resources (webinars, roundtables, one-pagers) on topics such as carbon footprints, climate targets, SBTi, implementation measures and best practices	
Dialogues with private label suppliers on climate protection measures	
"Förderprogramm Klimaschutz" (Climate protection funding programme) to co-finance projects aimed at reducing GHG emissions in the agricultural supply chain	Funding of emission-reducing measures in agricultural supply chains
More regional and seasonal sourcing	Reduction of transport- and production-related emissions
Since the end of 2025, we have been making our supply chains deforestation- and land-conversion-free ² . Our targets to source primary high-risk raw materials from certified	Avoiding land-use-related emissions

² Cocoa, coffee, palm oil, soya for animal feed, wood and paper, as well as fresh beef, with a cut-off date of 1 January 2020. 'Conversion' refers to all valuable ecosystems. Applies to REWE and PENNY's private label products in Germany.

sources or low-risk origins have been met or are close to being met (see progress report). We aim to further expand the proportion of our physical supply chains in future	
By 2024, REWE and PENNY Germany will have switched their entire soil range to peat-free alternatives	Reducing greenhouse gas emissions, and conserving and restoring peatlands as valuable ecosystems

Lower-emission agriculture

Measure	Contribution
As part of the "Förderprogramm Klimaschutz" (Climate protection funding programme) we offer our suppliers co-financing for projects aimed at reducing greenhouse gas emissions, for example for a project in wheat cultivation involving regenerative farming practices	Carbon sequestration and reduction of FLAG emissions
Targeted support for innovations and start-ups in the climate tech sector	Promotion of the development of lower-emission solutions for agricultural value chains
Promoting European soya production	Reducing FLAG emissions

Food and the protein transition

Measure	Contribution
Implementation of a protein strategy based on the pillars 'Optimising the product range', 'Promoting innovation', 'Strengthening conscious nutrition' and 'Supporting the policy framework'	Structural reduction of product-related emissions and shifting demand towards products with lower greenhouse gas emissions
Expansion of plant-based products	Shift towards lower-emission products
Promotion of plant-based innovations and innovations in the food tech sector	Promotion of lower-emission alternatives

Voluntary climate action measures

Measure	Contribution
Rewetting of peatlands via the NABU Climate Fund (4,515 ha secured until the end of 2025)	Protection of natural carbon sinks and additional CO ₂ sequestration

04 Allocated resources

Human, financial, technical, organisational and external resources are being deployed for implementation.



Governance

- Overall responsibility lies with the HR & Sustainability division of the Executive Board, headed by Dr Daniela Büchel
- The strategic pillar of Energy, Climate and Environment falls within the Finance division of the Executive Board, headed by Telerik Schischmanow
- The strategic pillar of Products falls within the Goods and Procurement division of the Executive Board, headed by Hans-Jürgen Moog
- Cross-sales-line sustainability working groups coordinate implementation
- The Sustainability Advisory Board provides critical oversight of strategy and measures



Financial resources

- NABU Climate Fund with at least €5 million annually from 2023 to 2027. A total of around 18.91 million euros by the end of 2025
- Investments in energy efficiency measures, renewable energy, refrigeration technology, heat pumps and low-emission logistics
- Sustainability-Linked Bond³ : over €900 million, with climate targets as a performance criterion
- "Förderprogramm Klimaschutz" (Climate protection funding programme) for suppliers to co-finance climate protection projects run by our private label suppliers

³ A sustainability-linked bond is a bond whose financial terms are linked to the achievement of pre-defined sustainability metrics.



Organisational resources

- Group-wide energy management systems (ISO 50001)
- Competence Centre for Agriculture⁴
- Supplier programmes and training courses
- SBTi-compliant emissions accounting
- Departments involved: Finance and Controlling, Category Management and Procurement, and Sustainability

05 Independent audit

Progress towards targets is reviewed at least annually on the basis of the greenhouse gas inventory. In doing so, progress, key assumptions, dependencies and deviations are documented. The figures from REWE and PENNY Germany are audited annually by an audit firm for the Sustainability-Linked Bond Framework. Any necessary corrective measures are analysed and discussed by the relevant committee.

It is intended to subject the implementation plan to an initial independent external audit and validation in the near future. The audit is to be carried out by an expert who is independent of the REWE GROUP, professionally qualified and free from conflicts of interest. Progress is to continue to be independently reviewed on a regular basis in future. The results will be made publicly available to consumers.

Publication of the implementation plan: September 2026

⁴ In further developing our climate strategy, we draw on the expertise of our Competence Centre for Agriculture. There, experts from the agricultural sector, academia, industry and other partners along the value chains work together