

## **REWE Group statement on the publication of the OXFAM report of October 10<sup>th</sup> 2019**

Of course, we are aware of the manifold challenges in the tea sector. For years, REWE Group has been intensively concerned with the observance of human rights in global supply and value chains. In this context, we are also in close and constructive contact with OXFAM.

REWE Group has been promoting more sustainable agriculture in tea production for years. Our entire black tea private label assortment is Rainforest Alliance certified, and we have already converted our private label assortment of green and rooibos tea articles (bag tea) to 100 per cent certified raw materials. The certification of our suppliers contributes to ecological and social improvements in the growing countries and to increased transparency in the supply chain, although we do not want to rest on our laurels. Our REWE Group Guideline for Tea will be published shortly, in which we communicate the already existing binding framework conditions for our suppliers to the public.

The criticism of NGOs should challenge us. But, of course, such a report can only be a subjective and timely presentation of our commitment. The Oxfam report neither establishes a chronological classification nor a concrete reference with which we could pursue the generally formulated accusations in a targeted manner. At this point, we would like to assure you that we will not tolerate proven violations of national laws, ILO standards and minimum wages at suppliers and will sanction them if they are proven - even to the point of discontinuation.

In the OXFAM study on human rights along the supply chain published in July, REWE Group came second in a national comparison and eighth in an international comparison. A total of 16 trading companies were evaluated. Compared to the previous Oxfam study from 2018, REWE Group has already improved its results in three out of four categories. This alone clearly shows that REWE Group is making great efforts to identify and remedy any legal infringements and/or grievances along the private label supply chains.

The REWE Group Guideline Fairness, the "Declaration of Principles for Human Rights" and our Guideline for the Prevention of Child Labour can be found at:

[www.rewe-group.com/en/sustainability/guidelines](http://www.rewe-group.com/en/sustainability/guidelines)

These define, among other things, a binding framework for business relations with contractual partners in REWE Group's private label supply chains. The Guideline for Sustainable Management published in 2011 also applies to all REWE Group business relationships. The value basis described therein forms the basis of the company's responsible actions in the sense of society and the environment.

The REWE Group Fairness Guideline is based, among other things, on the Universal Declaration of Human Rights of the United Nations, the conventions of the International Labour Organisation (ILO) on labour and social standards, the UN Global Compact as well as the UN conventions on children's rights and the elimination of all discrimination against women. In the event of deliberate gross disregard of the values described in the guideline, REWE Group reserves the right to impose sanctions here as well, up to and including the termination of business relations. In the fairness guideline, REWE Group is clearly committed to strengthening human rights, improving working



conditions and promoting fair trade within the supply chains of all own-brand products of REWE, PENNY and toom Baumarkt.

The open dialogue with stakeholders, NGOs and politicians supports us in actively reflecting on and optimising our work. All these points, coupled with close cooperation with suppliers, production sites and raw material production, ensure that we increase transparency along our supply chains, implement requirements and measures in a targeted manner and better avoid risks. This applies to all supply chains of our own food and non-food brands.

REWE Group is aware of its responsibility and accepts it. We will continue to drive this issue forward and not be satisfied with the status quo. However, it is often much more difficult to make progress than to formulate demands or prematurely dismiss progress as "insufficient".