

REWE Local Partnership.

For a sustainable cooperation with local suppliers and producers.



REWE
DEIN MARKT



Index

P.4

Preamble

P.6

Target group

P.8

Our vision

P.9

Topics

P.10

Reliable contractual partner

P.13

Good money for good work

P.14

Use of shared networks

P.15

**Joint innovations – for the protection
of animals and the environment**

Preamble



REWE Group is organised as a cooperative: Its independent retailers as well as its branches are firmly rooted in their communities and regions. They care about agriculture at the local level, which is characterised by small and medium-sized farms and operates according to environmentally and socially sound principles. In this way, we not only contribute to a strengthened sense of community and environmental protection, but also supply our customers with healthy, high-quality food.

Through its diversity, local agriculture meets both social and environmental requirements:

- **It creates jobs in rural areas**
- **It contributes to landscape conservation.**
- **It serves as a basis for the secure supply of high-quality products from short supply chains.**

With its 'Sustainable Business Practices' guideline, REWE Group has already created a binding basis for our daily business decisions, processes and relations.

Since 2010, REWE has had its own structure which is tailored to the local requirements of our customers and suppliers. Dedicated "local representatives" of our regional branches take care of the individual concerns of local producers. They accompany their products all the way from the field to the supermarket shelf. In addition, our retailers often have close personal ties with local producers through years of partnership.

Through the "REWE Local Partnership", we acknowledge our local responsibility. We set an example for the protection, preservation and promotion of local structures. We provide reliable orientation for the cooperation of small and medium-sized producers with REWE, enabling them to take advantage of synergies and participate in sustainable growth.

Our aim is to preserve the knowledge and craftsmanship of local suppliers and to promote the marketing of their products and cooperation with local producers and producer groups.



Target group

This declaration is intended for **smaller, local suppliers and producer associations** around REWE stores for the development of joint business relationships. We define smaller, local suppliers based on their maximum sales volume and the distribution area of their product ranges. It is our declared goal to **establish and consolidate even more partnerships** that contribute to strengthening the local value chain. For this reason, this declaration is not aimed at large agricultural production companies or cooperatives where REWE Group controls purchasing centrally – for an entire region or even on a national level.

It is often not easy for smaller producers and farmers to market their products via the food retail trade. Competing for shelf space with large, often global manufacturers is a big challenge for them. That is why we would like to continue to make it easier for smaller, local companies to sell their products directly through REWE stores – even in small quantities: individually, conveniently and without a large number of intermediaries.



Our vision

- 1** Our aim is to **further strengthen local value chains** and to promote the diverse knowledge and craftsmanship of local suppliers and producers.
- 2** Our aim is to provide small, local suppliers with **reliable orientation** for cooperation with REWE's retailers and local representatives.
- 3** Our aim is to make all **tools and support** available to our suppliers in order to exploit synergies and grow together in close, trusting cooperation.
- 4** Our aim is to inform our customers about the special business relationships of local producers and suppliers with REWE and/or the retailers and convince them even more of locally produced products that conserve resources.
- 5** Our aim is to offer the next generation of local producers a better marketing perspective through an additional sales channel and thus **promote generational change** and **strengthen rural areas**.

Topics

REWE Group and its retailers have defined four topics that form the basis for cooperation with local suppliers:



Reliable contractual partner



Good money for good work



Use of shared networks



Joint innovations – for the protection of animals and the environment



Reliable contractual partner

Together we develop strategies for mutual success.

In close consultation between suppliers, our independent retailers and representatives of our regional branches (local representatives), we develop individual strategies. These strategies enable us to jointly market our products, improve them and thus grow together.

We offer long-term partnerships.

We strive for several years of cooperation with our local suppliers. Therefore, our agreements with them generally do not provide for any time limits. As a reliable partner, we stand for security and predictability.

We communicate individually and on par – both with direct marketers and with local producer groups.

We are supplier-oriented and buy from producers as well as from local producer associations. We do not exclude any corporate structure.



We maintain personal contact.

Our local representatives and retailers serve as personal contacts for our local suppliers. We are in regular contact with our partners throughout the year and can provide them with help and advice when needed.

We are flexible.

Personal cooperation allows suppliers to sell products in a targeted manner. Taking into account our listing process, individual agreements can be made between independent retailers, store managers or local representatives and the local producers.

We are supportive partners in times of crisis.

If our suppliers run into production difficulties, we help them to find solutions together. We decide on a case-by-case basis on the best course of action.

We find solutions that meet the needs of our suppliers.

Product quality and safety take priority at REWE Group. For this reason, we place high demands on products and suppliers in the interests of our customers. This can sometimes be challenging for smaller local suppliers. We are therefore working closely with our partners on pragmatic solutions and have developed a simplified process for listing products from local suppliers.



Good money for good work

Mutual profitability is at the centre of our focus.

We make sure sustainable growth is attainable. Our goal is to promote local agriculture and smaller farms in a targeted and sustainable manner. The focus for us is on mutual profitability – the prices we pay enable the producers to sustain their own livelihood and develop the business further.

We reward added value.

Together with our suppliers, we promote the sustainability of our products – across all levels. To make this vision a reality, we invest in long-term projects that create sustainable added value for our products, producers and customers. In cases where we create added value (e.g. increased animal welfare measures) that benefits all – producers, marketers, consumers – we ensure that these added values are rewarded accordingly for the producers.

We decide together on the best approach on a case-by-case basis and work together to find a solution that does not overburden the supplier.

We strive to achieve adequate terms of payment.

We ensure that the terms of payment meet the special situation of our small local suppliers.



Use of shared networks

We offer attractive advertising opportunities for local suppliers.

We provide our local suppliers with numerous advertising opportunities at attractive conditions, which serve to promote the sale of their goods. In addition, they can promote their business and products through information stands and tastings in the stores, advertising material or stands on internal produce exchanges.

We help with marketing and sales.

Our independent retailers and the local representatives are available to provide advice and practical support when it comes to presenting our local suppliers and their products to the market. Specially created supplier portraits or other individual, cost-effective advertising measures can be implemented unbureaucratically.

We share our experience for the benefit of both sides.

With over 90 years of experience in food and agriculture, we have a broad range of skills at our disposal. We share this knowledge with our local suppliers and support them in their efforts to secure their livelihood.



Joint innovations – for the protection of animals and the environment

We reconcile regionality, sustainability and animal welfare.

Many of our local suppliers share with us the vision that local purchasing, short delivery routes and respect for nature and animals are the best prerequisites for sustainable cooperation. We make sure that this is done with a sense of proportion.

We support the preservation of smallholder structures and family-owned businesses.

By cooperating closely with smaller companies, we not only promote role models, but also strengthen the economy in rural areas and help to ensure that these structures remain attractive in the future. We also actively support smaller, family-owned businesses in the planning and implementation of projects that promote animal welfare or environmental protection.

Transparency across the entire supply chain.

Through direct cooperation with local suppliers, producer associations and marketing companies, we guarantee transparency from production to the counter.



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