

The supply chain used by REWE Group is extremely complex in certain areas. As a result, the company has created a quality assurance and monitoring system that extends across all links in the value chain. The measures are far reaching – covering everything from standards and quality checks to labelling systems and consumer information. Suppliers of food store brands are required to show that they have been certified in accordance with the internationally recognised standard IFS Food or the standard of the British Retail Consortium (BRC).

Safety Through Audits and Monitoring

To meet its quality assurance goals, REWE Group has implemented other monitoring steps that apply to store brands. These measures include additional supplier audits that are conducted on the basis of risk analysis. These audits draw on such data as the number of product and customer complaints as well as the risk classification of the product group. In 2013, 385 audits were conducted. The total rose to 434 in 2014. In addition, external parties inspect all food warehouses once a year. The stores operated by REWE Group are also inspected at least once a year. The focal points are fresh foods like meat, fruit and vegetables as well as products like fruit salad and ground beef that the company makes itself. For fruit and vegetables, the environmental organisation GLOBAL 2000 prepares an annual report on pesticide levels for REWE Group that is released to the general public – a unique approach in the industry. The reviews have determined that pesticide levels remain low and are well below legal requirements.



434

434 supplier audits
were conducted in
2014

TÜV Seal for Non-Food Products

For the non-food area, REWE Group worked with TÜV Rheinland, a leading international technical service provider based in Germany, to develop an audit process in 2009. Products that successfully complete this review are awarded the TÜV Exclusive Seal. Consumers can go online and use an audit number displayed on the seal to learn about the supplemental tests that TÜV has conducted on the product. A total of 369 products have been certified in this manner by TÜV in the last two years. By the end of 2014, 3,134 products had been certified. More at [REWE Group Sustainability](#).

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Recalls Designed to Protect Consumers

In 2013, horse meat that had been labelled as beef was found in products in Germany, Austria and other European countries. Traces of horse meat were also found in REWE Group's store brand products. As a result, three product recalls were initiated. The products were REWE Beste Wahl chilli con carne, REWE spaghetti Bolognese and Corbell (PENNY) "Zigeuner Hacksteak" (Gypsy-style hamburger steak). REWE Group immediately removed the products from store shelves. In the wake of the recall, the company decided it would use only German beef in its store brands. Another recall involved Bebivita milk rice from 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.

REWE Group uses
only German beef in
its store brands

More Transparency for Customers

REWE Group's customer service employees perform the job of answering questions and handling complaints. But the company also believes in facilitating conscious, responsible decisions by providing consumer-focused information at the point of sale. This includes information about product ingredients and nutritional values, which generally are well above legal requirements in terms of the company's store brand products. In 2014, the company also decided to include information about the actual production company on the store brand products sold by PENNY and REWE – with the exception of the "Feine Welt" brand. In taking this step, REWE Group responded to consumers' desire for more transparency in the supply chain: Inquiries about the source of products rose by 20 per cent in 2014 from their total in 2012.

20

%

Customer questions regarding origin have risen by 20 per cent since 2012

Issue Monitoring for Risk Analysis

REWE Group conducts issue monitoring as a way of identifying consumer-sensitive issues at an even earlier stage. And the reason is obvious: Complaints frequently arise from changed requirements and needs. Knowing which issues are rising on society's agenda is a big help – in terms of preventive controls, more sustainable product ranges and approaches to complaints and recalls.

Issue monitoring enables the company to spot consumer-sensitive issues at an early stage

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