

BETTER CLIMATE · SHOPPING EXPERIENCE · FAIR PRICES

STANDING UP

**ANNUAL REPORT 2023
EDEKA GROUP**

CONSCIOUS NUTRITION · SHORT DISTANCES · ASSORTMENT VARIETY



STANDING UP

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We are taking a stance!

In times of inflation and volatile energy prices, war, and a climate crisis, it is time to stand strong. For diversity and social cohesion. For the protection of natural resources. For agriculture and regional infrastructure. For our employees and the middle class. And above all, to ensure that all people in Germany can continue to afford high-quality food for a balanced nutrition.

Our cooperative principle provides the necessary energy for this. The creative power of our independent retailers is what drives us to peak performance time and time again, enabling us to actively address all challenges. Each year, over 100 new entrepreneurs join us, enriching the EDEKA-owned pool of ideas.

“**Standing up**” means not just going with the flow. It means showing backbone, even in the face of resistance. Taking responsibility. Standing firm, even when not everyone agrees. And never giving up in our efforts to become even better. The fiscal year 2023 has shown that it pays off when we focus on our strengths. Genuine diversity, shopping experiences, personalised consultations, and fair prices are facets from which our partners, suppliers, and customers will continue to benefit in the future.

THE EDEKA GROUP in Profile

Once again, in the fiscal year 2023, the cooperative principle of the EDEKA Group demonstrated its effectiveness. A robust economic performance, highlighted by a 6.7 percent increase in sales, underscores the concerted effort across all tiers of the association. Independent retailers, regional wholesalers, and EDEKA's headquarters collaborated seamlessly despite a challenging economic landscape. The company's track record attests to the wisdom of seizing every opportunity and leveraging strengths to thrive.



3,400
SELF-EMPLOYED
RETAILERS

with their family businesses stand for innovative entrepreneurial action, customer proximity and strong local commitment. Among them 122 business founders in 2023.



410,700
EMPLOYEES

at all retail levels form the backbone of the EDEKA Group with their day-to-day commitment. That is 1,800 more people than a year ago.



19,220
APPRENTICES/TRAINEES

are currently starting their professional careers in the EDEKA Group. 8,170 of them were newly hired last year.

FUTURE CAPITAL

The EDEKA Group invested approximately 2.8 billion euros in its infrastructure during the past financial year, thereby reinforcing Germany's position as a business hub. For the current year, investments totaling around 3.1 billion euros are planned. These funds will primarily support the expansion of modern supermarkets and hypermarkets, logistics, production facilities, and IT infrastructure, thereby ensuring the future sustainability of all companies within the EDEKA Group.



5,759
independent
retail stores
(EDEKA and
Marktkauf)

940
directly managed
retail stores (EDEKA
and Marktkauf)



SHOPPING EXPERIENCE

Variety, freshness, excellent service, and competitive prices are the hallmarks of supermarkets, hypermarkets, and discount stores within the EDEKA network. In 2023, a total of 249 new stores were opened across Germany, leading to an increase in the total retail sales area to 12.1 million square meters.

4,349
Netto Marken-Discount
branches

TURNOVER GROWTH* IN THE EDEKA GROUP, IN BN EUROS

* turnover

	2022	2023	%
Independent Retailers	36.5	39.3	+ 7.7
Directly Managed Retail Trade	8.8	8.5	- 3.4
Netto Marken-Discount	15.8	17.1	+ 8.5
Bakery Retail Trade	0.6	0.5	- 5.3
RETAIL FOOD SECTOR	61.6	65.5	+ 6.2
C+C Edeka Food Service	2.9	3.1	+ 5.4
E-Commerce Sales	0.1	0.2	+ 30.6
International Offset Turnover	0.2	0.5	+ 137.2
Customer Sales	1.4	1.5	+ 10.3
EDEKA GROUP TOTAL	66.2	70.7	+ 6.7



70.7 bn €

TOTAL SALES

The results are attributed to an exceptional team effort across all three levels of the EDEKA Group. In addition to the independent retailers, the retail trade once again demonstrated its strength, with the discount segment, in particular, serving as a key driver of growth.

STANDING UP for Tomorrow

In economically and politically turbulent times, Markus Mosa, Peter Keitel, and Claas Meineke reflect on a challenging yet successful business year in 2023. At the beginning of 2024, the newly formed executive team of EDEKA ZENTRALE Stiftung & Co. KG sees the corporate network well-positioned for the future.

International crises, domestic political turbulence, unsettled consumers, and aggressive industry partners – Mr Mosa, frankly speaking, were you able to see anything positive in 2023?

MARKUS MOSA Certainly. I think of the cohesive performance of our network, our resilience, and our stance on the one hand, but also our willingness to adapt to respond to a signifi-



MARKUS MOSA

Chairman of the Executive Board
EDEKA ZENTRALE Stiftung & Co. KG

cantly changed consumption and competitive environment on the other. Especially throughout the intense negotiations with globally operating industrial corporations, we have taken a clear position. For affordable groceries, in line with our customers' interests. The greater our unity, the greater our success. We have achieved good agreements for our network.

HERE AT EDEKA WE HAVE TAKEN A CLEAR STANCE AGAINST GLOBALLY OPERATING INDUSTRIAL CORPORATIONS. WE ADVOCATE FOR AFFORDABLE GROCERIES, ENTIRELY IN LINE WITH THE INTERESTS OF OUR CUSTOMERS.

– Markus Mosa

Now, geopolitical conflicts, economic volatility, high inflation coupled with subdued consumer sentiment cannot be overlooked – and EDEKA is right in the midst of it. Given these challenges, does your assessment of the past year's performance also lean towards the positive when considering the stark numbers?

MOSA It is true that at all levels of trade, we often had to push ourselves to the limits to maintain our success. In particular, EDEKA

retailers were heavily burdened by the described conditions and their consequences. However, because we have worked very hard and acted decisively and adaptably throughout the network over the past twelve months, we have achieved good figures. Network-wide, we increased our sales volume to over 70 billion euros. The independent EDEKA retail alone generated around 39 billion euros. And Netto Marken-Discount contributed approximately 17 billion euros to the total turnover. Therefore, I expressly thank all teams in the network for their tireless efforts once again.

And how do you assess the economic outlook for 2024?

MOSA Once again, we are operating in a year full of challenges. The world around us has partly fallen into disarray. The Russian war of aggression against Ukraine, the Middle East conflict, rising living costs, excessive bureaucracy, and high interest rates: all of these continue to burden private households and dampen investment sentiment in the country. Nevertheless, we have managed to establish a solid foundation for further discussions in these negotiating conditions. In addition, sales and – more importantly – results for independent retailers have recently increased. For them, we will continue to not shy away from conflicts with international brand manufacturers. Negotiations with the international companies Everest and Epic Partners further secure our competitiveness and directly contribute to increasing our results year after year. With Jumbo from the Netherlands, we have gained a new, strong partner for Everest and Epic Partners. This will allow us to present an even more forceful presence in the future.

Mr Meineke, in the course of negotiations with the branded industry in 2023, the challenging supply of goods was a topic. Does EDEKA's own-brand programme increasingly play a more important role against this backdrop?

CLAAS MEINEKE Just like brand-name products, private-label items have always been central pillars of our product range. The reason is their attractive price-performance ratio.



CLAAS MEINEKE

Member of the Executive Board and
Head of Sales and Marketing
EDEKA ZENTRALE Stiftung & Co. KG

Private-label brands are becoming increasingly popular, and demand for these items has surged massively. Therefore, this year, we will sharpen the profile of our differentiation brand EDEKA even further. We're going to put even more focus on product quality, sustainability, and innovation – values that really matter to consumers. We want to charge the EDEKA brand with emotions. And we show this heartfully in the new brand appearance.

PRIVATE LABELS ARE BECOMING INCREASINGLY POPULAR. THEREFORE, WE WILL SHARPEN THE PROFILE OF OUR DIFFERENTIATION BRAND EDEKA EVEN FURTHER.

– Claas Meineke

Now, consumer sentiment in Germany has been weak for quite some time. This was a recurring theme throughout the business year in 2023. How does EDEKA take this fact into account – does the factor "price" alone suffice to reach consumers through advertising?

MEINEKE No, because the situation is constantly evolving. If the general inflation rate continues to decline in 2024, consumer sentiment will gradually improve. Therefore, alongside the factor of affordability, we are increasingly focusing on differentiation from discounters: shopping experience, variety, consultation – these

are things you only find in an EDEKA store. Our approach is to closely intertwine price and image communication. This means: maximum enjoyment combined with a clear conscience and the best prices.

// **A SOLID FINANCIAL FOUNDATION GIVES US GOOD LEEWAY TO INITIATE FURTHER INFRASTRUCTURAL AND TECHNOLOGICAL IMPROVEMENTS.** – Peter Keitel

Mr Keitel, you have recently been appointed to the executive team of EDEKA-Zentrale. Since January 2024, you have been responsible for the areas of Finance and Personnel. What priorities do you set in your work for the future?

PETER KEITEL Well, I have been an EDEKA member for over a decade now, and I have been active here at the EDEKA-Zentrale in Hamburg in various positions. Therefore, forward-looking and visionary planning, as well as the promotion of our cooperative structures, naturally lie close to my heart. However, it is important for me to emphasise that, in my role as Chief Financial and Personnel Officer, I have inherited a superbly managed department from my predecessor, Martin Scholvin. This has enabled a smooth transition into my new role.

PETER KEITEL

**CFO and Head of Human Resources
EDEKA ZENTRALE Stiftung & Co. KG**



Will the EDEKA network continue its tradition of reinvesting profits directly into the business?

KEITEL Our willingness to change and innovate also requires investment. In 2023, we invested around 2.8 billion euros across the Group in our IT and logistics, in further verticalisation activities, the expansion of our retail space and the modernisation of our various store formats. We are continuing to accelerate here and are planning to invest around 3.1 billion euros in the current financial year. A solid financial foundation gives us plenty of room for manoeuvre – also to introduce further infrastructural and technological improvements. A good example of this is the new EDEKA IT, which will bundle regional and national IT expertise in the future.

Mr Mosa, will the topic of sustainability remain a focus for EDEKA in 2024?

MOSA Yes, definitely. For EDEKA, it is in our own economic interest to work towards greater sustainability on our shelves and in our supply chains. This is the only way we can safeguard the variety of products we offer in our stores today for the future. As Germany's leading food retailer, we are aware of our great ecological and social responsibility and, despite all the pressures, we will continue to steadfastly expand our commitment to more sustainable supply chains in 2024 – with the WWF at our side for the long term.

One final look at politics: what do you expect from Berlin and Brussels?

MOSA Fewer bans, regulations and bureaucracy. That's what I would like to see from decision-makers. Instead, more trust and dialogue. Take the pressure off us, encourage more competition and give us planning security. All of this would boost the economy, relieve the burden on people – and dampen prices.



UWE KOHLER

Independent retailer and Chairman of the Board of Trustees of EDEKA ZENTRALE Stiftung and Chairman of the Executive Board of EDEKA ZENTRALE Stiftung & Co. KG

CONTINUITY ENSURED

The year 2023 was difficult, both politically and economically. The challenges for the German economy were – and still are – significant. The conditions in which EDEKA operates, alongside its medium-sized retailers, have been fluctuating. However, we navigated through the difficult market conditions with focus and flexibility, allowing us to look back on a successful business year in 2023. My gratitude goes to all employees and leaders, and colleagues within our corporate network. Through their united efforts, focus, and dedication, they contributed to our steadfastness and enable us to look confidently ahead.

In the current business year, it remains crucial for us to demonstrate and further cultivate the inherent strengths of EDEKA each day. This includes the service offerings of our fresh counters, maintaining leadership in quality across areas such as organic, vegan, regional products, and sustainability, as well as providing a memorable host experience in the gastronomic sections of our stores.

I am also pleased to announce that we have achieved a seamless transition within the leadership team of the Hamburg-based EDEKA-Zentrale. After more than 20 years of service for EDEKA, Martin Scholvin has decided not to extend his contract as Chief Financial and Personnel Officer, which ended at the close of 2023. Over the past eleven years as a member of the EDEKA-Zentrale Board, Martin Scholvin has made a significant contribution to securing the successful growth of our network. I thank him for his prudent dedication and excellent collaboration. Simultaneously, I look forward to working with the new Chief Financial and Personnel Officer, Mr Peter Keitel. I know him as a distinguished finance expert with extensive leadership experience. Coming from within our ranks, he ensures continuity for us during economically challenging times.

STANDING UP for a Perfect Shopping Experience



SPECIALIST RETAILERS · DELIVERY SERVICES · SERVICE COUNTERS · ENJOYMENT · QUALITY · SERVICE · GOOD PRICES · CUSTOMER EVENTS · LIVE TASTINGS · CATERING CONCEPTS

In view of high inflation rates and falling consumer sentiment, 2023 was a year full of challenges for the food retail sector in Germany. Although the price increases were accompanied by higher sales, they also led to a decline in the volume sold. Discounters were the main beneficiaries of the “downgrading”, i.e. the search for cheaper product alternatives, until full-range retailers were able to gain market share again from autumn onwards.

For the EDEKA Group, the diversification of its sales formats also paid off in the past financial year. The association is actively engaged wherever food intersects with consumers. All retail business areas performed successfully in 2023 and in some cases regained lost ground.

The discount segment with Netto Marken-Discount particularly benefitted from increased price sensitivity. However, the turnaround was also achieved in the full-range business over the course of 2023 – primarily thanks to the commitment of the independent EDEKA retailers: they focused on their traditional competitive strengths and increasingly on the shopping experience, customer events and catering offers – always based on competitive prices. The EDEKA Group also gained further market share in the online business with its fast-growing partner Picnic. To give retailers additional room for manoeuvre, the EDEKA Group expanded its specialist store expertise with innovative formats. The course was also set for further growth in the out-of-home business.

VARIETY AS A MODEL FOR SUCCESS

The core business field and traditional pillar of the EDEKA Group is the stationary supermarkets and consumer markets, which are operated by the vast majority of approximately 3,400 independent merchants and their teams. In 2023, they once again demonstrated their strength and ability to quickly and creatively adapt to the changing market demands in an immensely challenging economic and social environment.

The retailers' recipe for success: a clear focus on the strengths that set EDEKA apart from the competition, such as the shopping experience, genuine variety, service and personalised advice. All of this comes at competitive prices, always with an attractive range of own-brand products that can match the quality of branded products. In 2023, unity towards the branded-products industry paid off, with the firm stance of not accepting any unreasonable price increase demands.

39.3 bn €

+7.7%

TOTAL SALES IN THE INDEPENDENT RETAIL TRADE

This strengthened EDEKA's credibility and helped to successfully compensate for short-term gaps in the brand shelf by offering alternative brands and private-label products.

In the area of tension between sales, margins and product availability, the independent EDEKA family businesses with their 223,000 employees generated total sales of 39.3 billion euros – an increase in sales of 7.7 per cent compared to the previous year. On a like-for-like basis, growth

was 4.8 per cent. This means that the 3,400 entrepreneurs hold the largest share of total food retail sales in the EDEKA Group, which reached the €65.5 billion mark in 2023 (+6.2 per cent). The seven EDEKA wholesalers also operate full-range stores independently, always with the cooperative mandate to transfer each location to entrepreneurs whenever possible. In line with this strategy, the company-owned operations achieved sales of €8.5 billion in 2023 – slightly below the previous year's level, as planned. On a comparable basis, sales increased by 4.3 per cent. Similar trends apply to the Marktkauf superstores operated under company management. Since the transfer of the original 186 self-service department stores to regional wholesalers, the vast majority of locations have now been handed over to independent retailers.

Despite the economic uncertainties, EDEKA also maintained a high pace of expansion. A total of 133 new supermarkets and hypermarkets were opened over the course of the year. As numerous smaller and older stores were also closed during the same period – mostly due to relocations or closures – the number of EDEKA stores fell slightly to a total of 6,699; the vast majority of these (5,759 stores) were operated by independent retailers. In the entire EDEKA network – i.e. including Netto Marken-Discount – the number of retail outlets was 11,048 with a sales area of 12.1 million square metres (+1.1 per cent).

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NEW OPENINGS IN THE EDEKA RETAIL 2023



Excellent!

A perfect shopping experience – that's what many EDEKA stores across Germany stand for. And behind each one are many retailers and their teams. For their achievements, they are awarded prizes every year – externally at industry events or also in internal EDEKA competitions. Here's a selection from 2023:

SUPERMARKET OF THE YEAR

E centre Angerbogen
in Duisburg (Rhine-Ruhr)

EDEKA Prechtl
in Brannenburg (Southern Bavaria)

EDEKA SUPERCUP

EDEKA Stefan Alex
in Höhenkirchen (Southern Bavaria)

EDEKA Ueltzhöfer
in Neuenstadt am Kocher (Southwest)

EDEKA Meyer's
in Neumünster (North)

E Centre Wolfsburg
(Minden-Hanover)

AWARD FOR RESPONSIBLE BEHAVIOUR

Hieber's Freshness Centre
in Binzen (Southwest)

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122 ENTREPRENEURS SET UP THEIR OWN BUSINESS WITH EDEKA IN 2023

In order to strengthen entrepreneurship within their own ranks, EDEKA wholesalers handed over a total of 91 self-managed stores to independent retailers in 2023, 45 of them to start-ups. A total of 122 young entrepreneurs took the step into self-employment with EDEKA over the course of the year. In the past five years alone, the number of start-ups totalled 538. To minimise the risk associated with starting a business, all founders are supported with individually tailored service packages, including location analyses, attractive financing options from EDEKABANK, demand-oriented food logistics, competitive purchasing conditions, and a wide range of regional advisory services.



Try and enjoy – inviting gastro concepts create additional customer loyalty.

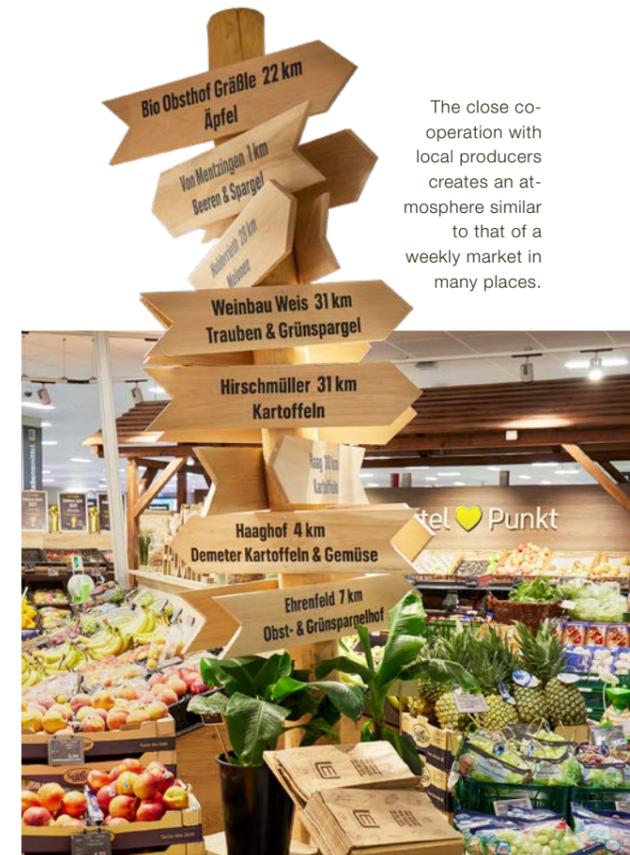
EXPERIENCE AREAS

When shopping at an EDEKA store, the focus is on the individual. Customers should feel comfortable when they enter the store. They want to be seen – in terms of their wishes and quality requirements, but also when it comes to inspiration and enjoyable experiences. During the coronavirus pandemic with its lockdowns, it was almost impossible to organise events in the markets. It is therefore all the more pleasing that many retailers have once again increasingly focused on “experiences” in the past year that make the promise “We love food” tangible in an authentic way: with exclusive theme evenings, innovative catering concepts such as the EDEKA market kitchen or the typical EDEKA market-place experience – the wealth of ideas from our retailers seemed almost limitless. Customers appreciate it when “their” store responds to current trends, when it is tangibly rooted in the respective region or invites them to be touched emotionally.

Such shopping experiences are a great asset to independent retailers. Whether at a wine or champagne tasting, joint cooking events, tastings of food innovations or expert discussions at the fresh food counter – in 2023, EDEKA retailers have managed to emphasise this unique selling point even more strongly compared to the competition and combine customer proximity, maximum enjoyment and fair prices.



Up to 30 different types of home-made sausage – and a smile. The EDEKA fresh food counters impress with their expertise and friendliness and were real magnets for potential customers last year.



The close co-operation with local producers creates an atmosphere similar to that of a weekly market in many places.



Customers are not only served, but also given expert advice. A large selection at EDEKA also includes qualified staff who cater to special requests and sometimes provide a tip or two in store.

Stories that connect – themed evenings on wine, beer or protein-rich nutrition not only impart interesting facts. They are also real community experiences.



THE GROWTH ENGINE IS RUNNING

Fair prices, a large selection, good quality and always new ideas – this is Netto Marken-Discount’s recipe for success. The subsidiary of EDEKA headquarters successfully continued its growth trajectory in 2023. Sales from the retail business reached 17.1 billion euros, an increase of 8.5 per cent compared to the previous year (7.5 per cent when measured to comparable sales area). 87,300 employees contributed to this successful development (+3,300).

Netto Marken-Discount scored particularly well in terms of value for money. In times of a general rise in the cost of living, Netto permanently reduced the prices of more than 1,000 products across all product groups last year. The food retailer thus proved how well low prices, a large selection and high quality go together.



More and more people are favouring private labels. Not without reason: the high quality of Netto’s own brands has been repeatedly confirmed by awards from Stiftung Warentest and Öko-Test in 2023.



Pick & Go: Seamless checkout with card, Apple Pay, Google Pay, or the Netto App.



Over the course of 2023, 116 new shops were opened, and 450 locations modernised. Netto thus continued its expansion course to expand and modernise its nationwide store network – and to break completely new ground: in January 2024, Netto opened Europe’s largest Pick & Go grocery store in Regensburg. In the approximately 800 square metre shop with almost 5,000 products from all product groups, consumers have the opportunity to shop completely auto-



The popular Netto donation initiative is supported by various celebrities on a voluntary basis – including Katja Krasavice in 2023.



mously and make cashless payments – without prior registration, no check-in, no scanning and no need to use a smartphone. Sensors in ceilings and shelves allocate the removed products to the respective customers and create individual shopping baskets in real time. The purchase price is displayed on the FastExit terminal and printed out as a receipt after payment.

Taking responsibility for the environment and society is an integral part of the Netto corporate culture. The retail company focuses on four main areas: community and social commitment, fair cooperation, careful use of resources and aligning its purchasing strategy with sustainability aspects. In addition to expanding and promoting a more sustainable range of private-label brand products, Netto is also working to further reduce its own ecological footprint as part of its WWF partnership. For instance, by using emission-free hydrogen in heavy-duty trucks, Netto is advocating for more sustainable freight transportation. To make this possible on a larger scale, it is essential to expand the necessary infrastructure. In 2023, in collaboration with project developer Hypion, Netto established a hydrogen refuelling

station in Neumünster, strategically located at Schleswig-Holstein’s transport hub. This station enables the supply of green hydrogen, supporting the transition to cleaner transport options.

Netto Marken-Discount also demonstrated its social commitment together with its customers in 2023: thanks to the Netto donation initiative, 2.8 million euros were raised through checkout, deposit and company donations. The donations went to numerous charitable organisations and associations, including long-standing partners such as the Peter Maffay Foundation and Tafel Deutschland e. V.



DISCOVER WORLDS

Full product range and specialist store expertise are not mutually exclusive – on the contrary: the EDEKA Group is constantly creating new growth potential for its retailers with tried-and-tested and brand new specialist store concepts. Whether it's a bakery branch in the checkout area, a neighbouring drinks store or shop-in-shop formats for organic food and pharmacies: they impress with their depth of product range and bind consumers to their EDEKA shopping location.

Example from the organic segment: the NATURKIND World format, developed in 2022, continued its successful roll-outs. By the end of the year, approximately 80 of these “bio-topes” had opened in EDEKA supermarkets and consumer markets throughout Germany, with many more in preparation. They enable retailers to reach customer groups focused on organic food and provide them with access to a wide and deep range of organic specialty products. The NATURKIND Worlds typically encompass between 2,000 and 4,000 branded items that adhere to the standards of major organic farming associations such as Demeter, Bioland, or Naturland.



The first budni-beautybox was opened in June 2023 in the E-Center Villingen-Schwenningen (Baden-Württemberg).

SHOP-IN-SHOP

With the “budni-beautybox”, another shop-in-shop format was launched at EDEKA and Marktkauf in the south-west region in 2023. The first budni-beautybox was opened in June 2023 in the Villingen-Schwenningen E-Center, followed by five more locations in the south-west by the end of 2023.

The new modular concept adapts to the conditions of EDEKA stores and offers a pharmacy range of up to 8,500 items on up to 250 square metres with a focus on personal care products. Budni's primary focus lies in excelling within the field of sustainability and natural cosmetics. Moreover, the budni beauty boxes feature a range of offerings including decorative cosmetics, facial, hair, and dental care products.

Just under a year and a half after the launch of the new format, the 50th NATURKIND WELT opened at Marktkauf Cuxhaven in May 2023. There will be 100 nationwide by mid-2024.



REGIONALLY STRONG

In the domain of bakery products, EDEKA has established a strong tradition. This is primarily facilitated by the regional offerings of bakeries situated in the front-end areas of supermarkets and consumer markets. These primarily consist of branches of in-house bakeries such as Allwörden (EDEKA Nord), Schäfer's (EDEKA Minden-Hanover), Büsch (EDEKA Rhine-Ruhr), or Backstube Wünsche (EDEKA Southern Bavaria). An increasing number of EDEKA retailers are also managing their bakery sections independently or collaborating with locally based bakeries.

EDEKA's beverage markets also demonstrate expertise in their field. Particularly noteworthy is trinkgut, a retailer known for its extensive product range and competitive pricing, boasting over 40 years of corporate history, including 13 years under the umbrella of the wholesale distributor EDEKA Rhine-Ruhr. A notable strength of this format is that a significant portion of its markets are operated by independent retailers. Presently, trinkgut, with approximately 280 retail locations, holds the leading position in the German market, having increased its revenue by 7.9 per cent in the previous fiscal year.

In 2023, efforts were made to propel the nationwide expansion of the format. Apart from the core Rhine-Ruhr region (with 13 new openings in 2023), the successful format is now also operated by the wholesale distributors EDEKA Southwest (9 markets) and EDEKA Southern Bavaria (8 markets). The pace of expansion is set to significantly increase this year, with multiple beverage warehouses under construction in both regions to meet the growing demand.

The budni-beautybox is thus strengthening the expansion of the traditional branch network. This comprises a total of 193 shops, primarily in Hamburg and Berlin, the vast majority of which are operated by Budnikowsky GmbH. The revenue across all branches was slightly above the previous year by the end of 2023 (+0.1 per cent)

An important factor in budni's competitive success is its clear positioning as a sustainable pharmacy.

Since 2022, budni has strategically aligned with the WWF, a trusted partner, to drive progress in product range and company initiatives. This collaboration is centred around four key objectives: climate protection, biodiversity, freshwater conservation, and responsible resource management.

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BEVERAGE MARKETS
IN 3 REGIONS



PICNIC INCREASES PACE OF EXPANSION

The online supermarket Picnic, in which the EDEKA Group has been involved since 2018, kicked off its expansion in Germany in 2023. After firmly establishing itself in North Rhine-Westphalia, the delivery service launched in several major cities and metropolitan areas, including Hamburg, Berlin, Brandenburg, Schleswig-Holstein, Hessen, and Baden-Württemberg. The approximately 1,400 environmentally friendly electric vans are now operating in over 100 German cities and municipalities, serving approximately 800,000 households with groceries – 300,000 more than the previous year. To achieve this, Picnic hired between 100 and 200 new employees per week. Internationally, Picnic expanded its market position with a total revenue of 1.25 billion euros in Germany, the Netherlands, and France.

The “milkman principle” of Picnic is not only well-received by customers but also enables efficient processes: instead of delivering individual orders, Picnic consolidates the orders and delivers them the next day on routes planned using AI. As a result, no delivery fees are incurred. The diverse range of the delivery service start-up particularly appeals to young families and is continuously optimised regionally. In 2023, it comprised more than 10,000 items, including, for the first time, an attractive range of toiletry products. Additionally, over 400 new recipes in the Picnic app inspire new dishes and facilitate ordering by quickly adding all required ingredients to the shopping cart.

1,400
ELECTRO-VANS



100
CITIES

57 / + 24
CITY-HUBS

800,000
HOUSEHOLDS IN GERMANY
+ 300,000

Efficient processes: through the “milkman principle,” Picnic can waive delivery fees. The concept also prevents food waste, as only products that have been ordered are delivered.

FROM PROFESSIONALS FOR PROFESSIONALS

The EDEKA Group has further expanded and strengthened its business segment of food service in recent years. The EDEKA Foodservice Group (EFS) positions itself as a wholesaler, service provider, and advisory partner for national and regional customers in the hotel and hospitality industry, as well as in communal catering and convenience retail. In addition to 82 nationwide cash & carry stores, direct delivery to large customers is becoming increasingly important.

A key success factor was the merger of the two distribution brands, EDEKA Foodservice and Handelshof. Since the beginning of 2023, all administrative areas have been reorganised into the EDEKA Foodservice Handelshof Management GmbH as the central management company. Additionally, with the integration of EDEKA Convenience – previously a subsidiary of EDEKA Headquarters – a more consistent concentration of out-of-home business within EFS was pursued. A crucial lever for this integration is the standardisation of IT processes and cash register systems, which was initiated in 2023.

In 2023, the focus was on offsetting the losses incurred during the lockdowns in the years of the COVID-19 pandemic and on making all structures and processes future-proof. Expansion efforts were pursued, and new customers were acquired. The success of these measures was reflected in the revenue growth: across all distribution channels, EFS experienced a growth of 8.5 per cent compared to the previous year.

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C+C PICK-UP MARKETS



The new flagship

The almost 13,000 m² Handelshof in Mönchengladbach offers a completely new shopping experience with its state-of-the-art fresh food departments. The Handelshof has not only been awarded the Seafood Star 2024 as the best fresh fish counter in the C+C segment, but the use of state-of-the-art refrigeration technology and energy-efficient lighting has also significantly reduced its ecological footprint.

STANDING UP for Fair Prices

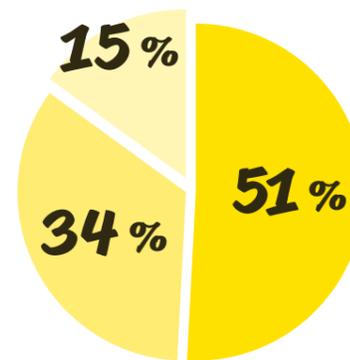
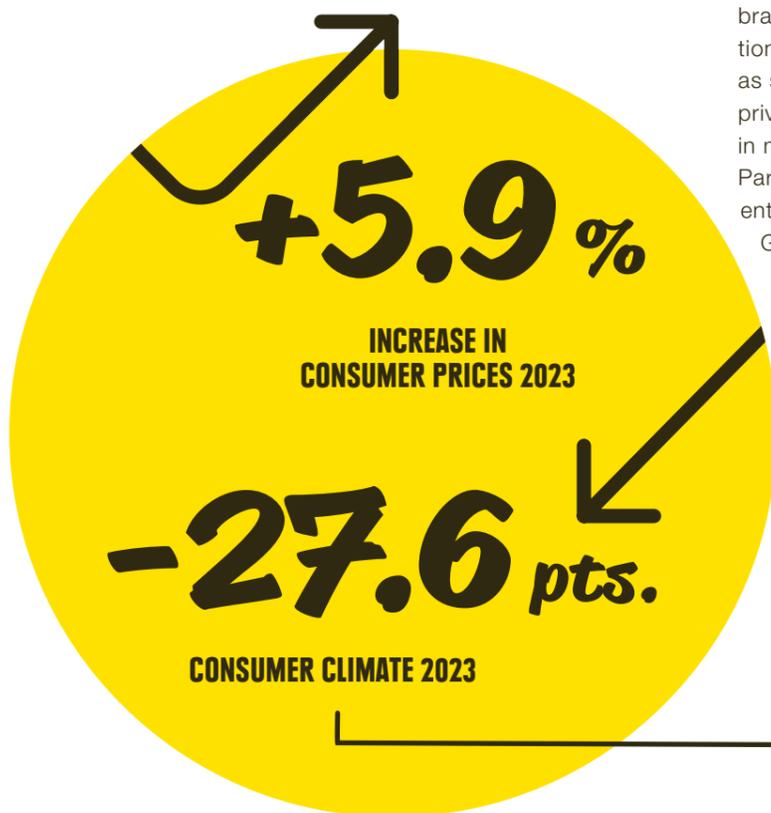
In 2023, consumers experienced the second most expensive year since reunification. According to data from the Federal Statistical Office, prices increased by 5.9 per cent on average throughout the year. The only higher value was recorded in 2022, at 6.9 per cent, following the Russian invasion of Ukraine, which led to a significant spike in prices for energy and food, while many international supply chains spiralled out of control. Geopolitical crises and discussions surrounding the federal budget further exacerbated consumer uncertainty throughout the year.

All of these factors dampened consumer sentiment in Germany, reflected in the GfK Consumer Climate Index which stood at -27.6 points in December 2023. For comparison, prior to the COVID-19 pandemic, consumer sentiment remained stable at around +10 points. This downward trend directly influenced German purchasing behaviour, with the discount segment particularly benefitting from heightened price sensitivity. "Downgrading" effects were evident across the entire grocery retail sector, notably through the surging demand for private-label products over expensive brand-name items, which often could only be sold through promotions.

One major reason why consumers are switching from brand-name products to private-label brands is because many private labels have built up a strong reputation for quality. According to the "Handelsmarkenmonitor 2022," almost two-thirds of consumers believe that the private labels offered by retailers are just as good as brand-name products in terms of quality. Additionally, 8 per cent of consumers even view them as superior to brand-name products. As a result, private labels have seen double-digit growth in market share across almost all categories. Particularly dynamic are the private labels in the entry-level price range – for example, EDEKA's GUT&GÜNSTIG range.

In response to this significantly increasing demand, the EDEKA group made substantial investments in 2023. Efforts were made to expand existing supplier relationships, acquire new suppliers, and continuously optimise and develop the private-label product mix.

Before the coronavirus pandemic, the consumer climate was still stable at +10 points.



In many categories, a few manufacturers dominate the entire range.

Market share of frozen pizza manufacturers

Nielsen market research data, August 2022

- Dr. Oetker
- Nestlé
- remaining suppliers

As a leading provider of brand-name products in Germany, companies within the EDEKA Group have maintained close relationships with a wide range of predominantly medium-sized brand manufacturers and local agriculture for decades. With its cooperative structure, the EDEKA Group offers its partners long-term and reliable sales opportunities. Naturally, we also prioritise fair and reasonable prices. However, what the EDEKA Group opposes is the business practices of some internationally operating, mostly publicly listed corporations in the branded goods industry, which are beholden to anonymous investors and focused on profit maximisation.

Increasingly, dominant food manufacturers are employing unfair industry practices such as supply restrictions, market-exclusive discounts, export limitations, or delivery halts to enforce their inflated price increase demands. This is even though, on average, brand manufacturers achieve profit margins in the double-digit percentage range, far exceeding the low single-digit margins of retailers. For instance, many brand manufacturers deliberately prevent retailers from purchasing their products cross-border – through differing packaging standards or varying volumes and weights. While the industry fully benefits from the advantages of the EU single

market, such as producing for all of Europe in one country, retailers are forced to procure products nationally due to the fragmentation of the single market. Without these "Territorial Supply Constraints," food would be cheaper: consumers could save at least €14.1 billion annually, according to a study by the EU Commission.

In 2023, the EDEKA Group continued to advocate for consumers' interests and did not readily accept the sometimes incomprehensible price increase demands. Some brand corporations subsequently resorted to unilateral delivery halts as a pressure tactic to enforce higher prices.



Transparency at the shelf

Some brand corporations increasingly attempt to maximise their margins using tricks like "shrinkflation". Netto Marken-Discount has directly alerted its consumers to such practices in many of its stores, at the point of sale.

However, the EDEKA Group not only succeeded in offering its customers good alternatives – such as products from other brand manufacturers or EDEKA's private labels, which provide at least comparable quality at a better value for money ratio.

Through intensive negotiations, by the end of the year, significant progress was made with most suppliers, notably reducing the requested price increases.

Operating solely on a national level, retail companies have little leverage against the market power of large multinational brand corporations. Therefore, it is crucial for retailers like the EDEKA Group to form international purchasing organisations, such as Everest and Epic Partners. The entry of Jumbo Supermarkets, one of the leading Dutch grocery retailers, significantly bolstered both companies in 2023. This not only benefits independent EDEKA retailers but, most importantly, consumers in Germany and Europe, who can continue to purchase groceries at affordable prices.

Everest, based in Amsterdam, is a transnational purchasing office that combines the strengths of EDEKA, Jumbo (Netherlands, Belgium), Picnic (Netherlands, Germany, France) and Système U (France).

Epic Partners, based in Geneva, represents seven leading European food retailers: EDEKA, Esselunga (Italy), Migros (Switzerland), Jerónimo Martins (Portugal, Poland, Colombia), Jumbo (Netherlands, Belgium), Picnic (Netherlands, Germany, France) and Système U (France).

OUR MERCHANTS, BUT ABOVE ALL CONSUMERS THROUGHOUT EUROPE, WILL BENEFIT FROM OUR COMBINED FORCES.

– Markus Mosa, Chairman of the Management Board of EDEKA ZENTRALE Stiftung & Co. KG

The European Commission reaffirmed the benefits of international purchasing alliances last year and concluded that they tend to improve consumer welfare. They lead to lower prices, a greater variety or better quality of products.



PARTNER TO AGRICULTURE

Ensuring fair prices for consumers and fair prices for producers while maintaining a delicate balance is a significant concern for EDEKA. In recent years, both EDEKA and Netto Marken-Discount have made substantial efforts to support regional agriculture and promote the sale of agricultural products. The regional EDEKA wholesale businesses play a significant role in offering products from local and regional producers in EDEKA stores through their brand programmes. Through multi-year contracts or purchase guarantees, they provide producers of fruits and vegetables, meat, and dairy products with planning security and long-term perspectives.

It is important to note that the prices of agricultural products are not determined by the food retail sector but are influenced by numerous factors over which the retail sector has limited control. Dairy products, meat, and sausage products, as well as fruits and vegetables, are mostly not marketed in the food retail sector but are exported, processed in the industry, or dis-

tributed in the gastronomy sector. Additionally, food retailers typically negotiate not with individual farmers but with strong intermediaries such as dairies, slaughterhouses, or large bakeries, which decide on payout prices and the utilisation of raw materials.

It will be increasingly important in the future to unite the efforts of all stakeholders. Only through collaboration with all participants in the value chain will it be possible to improve the situation of agriculture permanently and sustainably. Value-added products (such as regional, organic, or animal welfare products) typically generate significantly higher and sustainable revenues among consumers. Furthermore, there is a need for increased direct, partnership-based relationships between retailers and producers – exactly as demonstrated by the regional EDEKA wholesale businesses for many years.

STANDING UP for Short Distances



INVESTMENTS • REGIONALITY • FRESH PRODUCE PLATFORMS • FRUIT EXPERTISE • CLIMATE-FRIENDLY DRIVE SYSTEMS • LOGISTICS AND PRODUCTION SITES

Around 11,050 retail outlets in the EDEKA Group ensure local supplies for people – all over Germany. They are supplied with fresh food every day by a dense network of logistics centres. And in all federal states, regional EDEKA production companies contribute to the creation of value. However, short distances not only apply to transport and deliveries; coordination and decision-making channels are also kept short in the EDEKA Group – primarily thanks to the co-operative structure with around 3,400 independent entrepreneurial families.

The digitally supported regional platforms are a good example: they help to establish and promote contacts between EDEKA retailers and regional food producers. A platform of this kind was also launched in the North region last year: With “Genial Regional”, retailers can quickly and easily be informed about regional businesses and their products and order them for their own store.

A win-win situation: producers who grow, produce or refine in northern Germany are given the opportunity to present themselves to an attractive group of buyers. The retailers expand their regional and local product range and thus differentiate themselves from the competition. However, it is the customers who benefit the most: from fruit and vegetables directly from the neighbourhood or from the specialities of a local manufacturer.



Renewable, climate-friendly, low-emission: currently, two fuel stations in Lower Saxony and Saxony-Anhalt are supplying EDEKA's trucks with bio-LNG fuel, with additional locations planned.

EDEKA retailers have been working closely with farmers, craft businesses and manufacturers from their local area for many years. Online platforms can assist in minimising entry barriers, particularly for smaller suppliers. The platform launched by wholesaler EDEKA Southwest in 2021 now lists more than 2,000 suppliers and is used by 1,100 EDEKA retailers. In 2022, a comparable platform was launched by the wholesale business Northern Bavaria-Saxony-Thuringia, where EDEKA markets also offer an average of 30 to 40 regional manufacturers.

Following a similar path, EDEKA wholesale Rhein-Ruhr introduced the innovative "From the Best Neighbourhood" concept. What sets it apart? The produce hails exclusively from local producers within a radius of no more than 30 kilometres surrounding the participating markets. Such innovative platforms and concepts perfectly complement the long-established regional brand programmes driven by all wholesalers for many years. These programmes are

characterised by close and long-term collaborations with fresh food producers such as fruits and vegetables, meat and sausage, as well as dairy products.

Short distances – that's what EDEKA Fruchtkontor stands for, responsible for the network-wide procurement of fresh fruits and vegetables. In 2023, the Fruchtkontor operated eight logistics platforms across Germany, the Netherlands, Spain, and Italy, with an additional new site in Geldermalsen (NL), expanding collaboration with Picnic as part of Everest. Unlike its competitors, EDEKA Fruchtkontor doesn't source its goods through exporters or intermediaries, but directly from local producers. This ensures that freshly harvested produce takes the shortest route to EDEKA or Netto wholesalers and from there to the fresh departments of nearby markets. The direct line to producers not only guarantees controlled quality but also fosters trust, laying the foundation for long-term, personal relationships.

A dense network of 63 logistics centres across the country ensures that the routes for approximately 6,600 trucks within the EDEKA group remain manageable. However, even short distances should be covered in as environmentally friendly a way as possible. Alternative fuels are one of the key levers for reducing CO₂ emissions. As part of a field trial, wholesale companies EDEKA North and Netto Marken-Discount participated in a station for emission-free "green" hydrogen in Neumünster. Additionally, wholesale company Minden-Hanover is implementing renewable and environmentally friendly bio-LNG fuel across its operations, derived from hydrogen and organic waste. Since 2023, the truck fleet has been gradually transitioning to this fuel. Currently, two stations in Lower Saxony and Saxony-Anhalt supply EDEKA's trucks with bio-LNG fuel. The approximately 320 LNG trucks travel about 350 kilometres daily, resulting in approximately 11,000 tons of

IN 2023 LNG VEHICLES SAVED 
11,000 t

CO₂ savings compared to conventional diesel trucks in 2023. Furthermore, since last year, the first LNG trucks fuelled by biofuel have been operating in the region under Bauerngut, the production subsidiary of EDEKA Minden-Hanover. These gas-powered trucks are also significantly quieter than conventional diesel vehicles. Moreover, Bauerngut has several new fully electric refrigerated trailers, primarily powered by kinetic energy generated automatically while driving.

+++ LOGISTICS-SITE-INVESTMENT-TICKER +++

- Topping-out ceremony in Hirschaid: the EDEKA Fresh Factory, a state-of-the-art, climate-neutral production and logistics centre with a focus on regionalism and sustainability, celebrated its topping-out ceremony. Total area: 78,000 m². From 2024, it is set to supply over 400 EDEKA markets daily (see image on the right).
- Inauguration in Heddeshheim: the expanded and modernised dry goods warehouse stores more than 5,500 items on approximately 32,000 m² and supplies around 280 markets in the region.
- Commissioning in Neumünster-Eichhof: dry goods, fruits, and vegetables will be traded fully automatically on approximately 100,000 m².
- Significant progress in Hamburg: the EDEKA Fruchtkontor is constructing a 17,000 m² energy-efficient site, including a new banana ripening facility, in the HafenCity.



STANDING UP for Conscious Nutrition

The way we nourish ourselves not only affects our health and well-being but also our environment. For the EDEKA Group, promoting a more conscious, balanced diet and lifestyle has been a central concern for many years.

This includes, on the one hand, continuously expanding the range of sustainably produced food items. On the other hand, it involves engaging people, inspiring them towards a balanced diet through educational efforts and inspiration. Primarily, this is achieved by EDEKA retailers and their teams in the market, who serve as competent resources for customers on nutrition matters every day. Additionally, questions concerning good nutrition rank high on the agenda in projects of the EDEKA Foundation and across various communication channels.

The basis for a balanced diet is a diverse selection of high-quality and fresh food items. This is something EDEKA can ensure unlike any other retailer in Germany. EDEKA stores are particularly distinguished by their extensive vegetable sections and fresh food counters for meat and sausage, cheese, or fish – a large portion of which comes from regional production. The organic segment has been steadily growing in all areas for years. The shelves feature around 1,000 organic items solely in national and regional own brands, in addition to several thousand branded products and fresh food items from regional production. As the only major retail chain, the EDEKA Group collaborates with all major organic associations and further strengthened this cooperation in 2023. This aligns with the objective set by the German government to promote organic farming in Germany.



Plant-based products are increasingly in demand in the market. Whether vegetarian, vegan, or flexitarian – at EDEKA, customers find the widest variety of plant-based alternatives: more than 1,500 items make up the vegan offer alone. This includes around 150 items from EDEKA's private-label brands – and all at prices that are no more expensive than those of the animal “originals.” However, meat, sausage, milk, or dairy products are also part of a balanced diet for many people. In 2023, EDEKA made significant investments to improve animal welfare standards together with agricultural partners and to promote the transition to higher animal welfare standards.

It is crucial to engage people on this journey – and EDEKA achieves this through diverse communication channels. Whether through podcasts like ISS SO or YUMMI, the EDEKA YouTube channel, the cooking channel YUMTAMTAM, or Germany's most widely read food magazine MIT LIEBE: the mix of recipes, preparation tips, and stories about new products and food trends appeals to various target groups.

Dietary habits form early in life – which makes it even more important to educate children and teenagers about them. Nutrition as a school subject has been debated for years – and EDEKA is making it a reality! Since 2023, the elementary school project “More Movement – Better Eating” has sparked curiosity among third and fourth graders about nutrition, exercise, and responsibility. The project encourages children to have a varied diet and a stronger sense of responsibility – for themselves and their environment. So far, over 400 primary schools and more than 83,000 primary school students have participated in the project. And for 15 years, the EDEKA Foundation has been introducing kindergarten and preschool children to the topic of balanced nutrition with its project “Vegetable beds for kids.” Since 2008, over 24,400 planting actions have been carried out in around 1,700

cities and municipalities, where a total of 47,000 seed bags have been distributed and tended, over 700,000 seedlings planted, and 10.5 million litres of soil buried. In the anniversary year 2023, 3,000 planting actions were implemented nationwide.



Celebrity support: to celebrate the anniversary, Peter Maffay joined in a tree planting initiative at Gut Dietlhofen in Upper Bavaria. Since 2016, the EDEKA Foundation has also been supporting various projects on the topics of balanced nutrition, exercise and responsible behaviour as part of the Peter Maffay Foundation.



Showcasing presence: together with their co-operative partner Naturland, EDEKA and Netto Marken-Discount promoted a more sustainable approach to nutrition in the Organic Hall at the Grüne Woche.

Both projects of the EDEKA Foundation have been awarded the “We are IN FORM” seal of approval since 2016. The IN FORM initiative, supported by the Federal Ministries of Food and Agriculture as well as Health, thus acknowledges the commitment of the EDEKA Foundation to nutrition education and promotion of physical activity. The “Good Food for Germany” nutrition strategy developed by the federal government in 2023 also affirmed the importance of promoting a healthy and sustainable dietary approach, particularly among children and adolescents. It emphasises not only balanced eating and sufficient physical activity but also ensuring socially equitable access to healthy nutrition and sustainably produced food.

#ROADTOPARIS

The inseparable link between healthy nutrition and exercise is also evident in EDEKA's longstanding involvement in sports. Since 2016, EDEKA has been accompanying athletes as a premium partner on their journey to the Olympic Games. A highlight on the #roadtoparis was the introduction of the two official Team D cereals. Prior to their development, 120 Team D athletes were surveyed about their preferences and requirements for breakfast cereals. In the lead-up to the Olympic Games, an online voting process took place, allowing sports enthusiasts and cereal fans to vote for their preferred flavour among the four options. Approximately 65,000 people participated in the voting. Overall, EDEKA and Netto Marken-Discount achieved a reach of approximately 140 million contacts during the campaign period, making it the most successful campaign implemented within the Team D partnership.

This national collaboration is also actively manifested at the regional and local levels. Currently, over 45 Team D athletes are supported and accompanied on their journey to the Olympic Games by independent EDEKA retailers in their neighbourhood or by regional EDEKA wholesalers.



The two winning flavours of the voting: Bircher Muesli Blueberry and Protein Crunchy Muesli Chocolate Banana.



The cereals represent the fourth and fifth official Team D private-label products, following the Team D energy bar (2020) and the Team D snack balls (2022). Moreover, numerous private-label products also feature the Team Germany logo.



YUMMI
PODCAST

ISS SO

The EDEKA podcasts ISS SO and YUMMI convey knowledge in an entertaining way and provide inspiration for conscious nutrition.

SIMPLE, QUICK, DELICIOUS

The new EDEKA cookbook "One Pot – The Book" provides plenty of inspiration for anyone who likes to cook quickly and simply. 192 pages of bundled food expertise with 90 delicious recipes, exciting product information and lots of preparation tips.



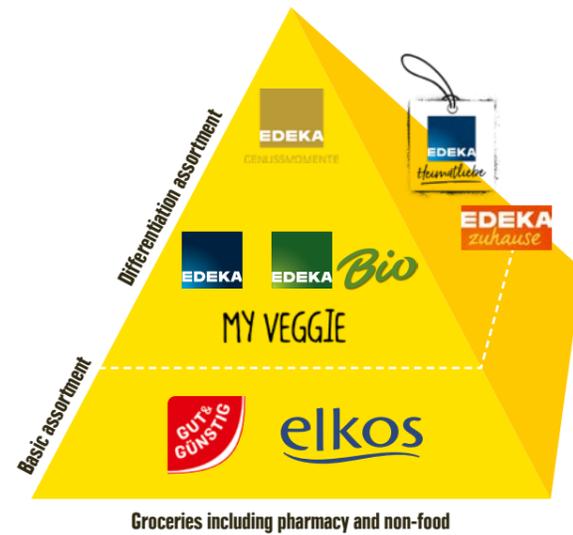
STANDING UP for Variety of Assortment

Healthy, sustainable, varied and budget-conscious – the product ranges of independent EDEKA retailers are as individual and diverse as the desires and priorities of consumers. They have always tailored the offerings of their stores to the needs of their customers.

Maximum enjoyment with a clear conscience, at the best price – that is EDEKA's brand promise. Netto Marken-Discount also impresses with the largest variety of brand-name and private-label products in the discount segment. To continue to offer the right products to cater to every taste, the EDEKA Group invested strategically in 2023, expanding the range with many new ideas and trend products.

The EDEKA product range mix includes popular brand-name products, an extensive private-label programme and many fresh foods from regional producers. The demand for private-label products such as GUT&GÜNSTIG and EDEKA was particularly strong in 2023.

In times of inflation and rising living costs, more and more customers turned to the attractively

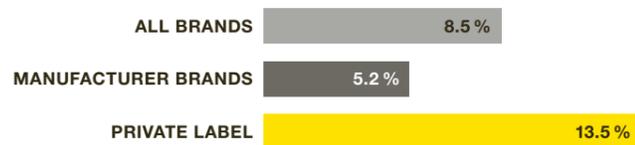


priced products with the red corner or blue square. There is something for every taste and every budget: the EDEKA Group's private-label range is now so broad that customers have access to cheaper private-label alternatives in almost every product category. From the basic to the premium range, the private-label products offer variety and quality at the best price at every level.

The private label GUT&GÜNSTIG alone includes approximately 2,700 everyday items. They offer at least the quality of the leading A-brand, while at the same time being orientated towards the lowest price level on the market. The approximately 2,500 items of EDEKA's differentiation brand aim to provide customers with an objective additional benefit compared to comparable items – such as special recipes, specially selected raw materials, or traditional production methods. Moreover, these aspects are consistently offered at an attractive price-performance ratio.

Private-label brands are booming!

Private labels in food retail (including pharmacies) developed significantly more dynamically in 2023 compared to manufacturer brands.



Source: GfK market research data, 2024

HAVING A HEART FOR LOCAL PRODUCTS

At EDEKA, the emphasis lies on regional sourcing – this is already anchored in the co-operative structure. Around a third of the goods in EDEKA stores come from local and regional, mostly agricultural suppliers. At a local level, a single merchant is often linked to up to 80 local producers.

The organic segment is also booming – and EDEKA is at the forefront. According to GfK figures, EDEKA is the largest organic retailer in Germany and has the largest market share in the organic food sector. The association has been expanding its organic range for years. In 2023, the range included around 1,000 private-label items such as EDEKA Bio or NATURKIND, as well as several thousand organic branded items and fresh regional products from organic farming – many of which are also certified by the major farming associations. Overall, the organic share of total sales at EDEKA is in the upper single-digit percentage range and is rising continuously.

The demand for vegan alternatives to meat, sausage and cheese has also increased enormously in recent years. With well over 1,500 vegan products, the co-operative network offers the largest variety of products in the vegan segment. EDEKA currently offers around 150 different items under its own private label alone, such as EDEKA MY VEGGIE or EDEKA Bio MY VEGGIE.



Introducing the "EDEKA Herzstücke". These additions will further enhance the profile of the EDEKA brand, emphasising its uniqueness. By integrating the iconic yellow heart with the EDEKA logo, we aim to draw more attention on the shelves and instantly convey the high product quality at a glance.

On a regional level, wholesale companies play a crucial role in providing EDEKA stores with fresh food sourced from local and regional producers through their regional programmes. Through multi-year contracts or purchase guarantees, they provide fruit and vegetable farms, meat and sausage producers, as well as dairy farms, with planning security and long-term prospects.

In 2023, the regional brand family welcomed a promising addition: Bauernschätze from the region North Bavaria-Saxony-Thuringia represents high-quality locally produced meat products with an extra emphasis on animal welfare through husbandry level 3.

The EDEKA Fruchtkontor also collaborates directly with over 1,000 agricultural enterprises in more than 80 countries. Approximately 450 EDEKA fruit professionals ensure fresh fruits and vegetables in the markets daily. They maintain long-term supplier relationships and remain in close contact with producers. Thus, our experts are closely involved in production consulting and can always ensure the high quality of the delivered products. This was also the case with the Magic Star, the new exclusive apple variety, which was first harvested in autumn 2023 and subsequently available nationwide in all EDEKA stores. The crossbreed of two particularly durable apple varieties, cultivated in collaboration with around 40 orchards in the Lake Constance region, the Rhineland, and the Altes Land, impresses with its crispness and juiciness. Additionally, the apple stores exceptionally well and can thus be offered throughout the year. The “MagicStar” is another component with which the EDEKA network strengthens its regional and sustainability concepts for agriculturally produced food.



SELF-MADE

Many fresh foods are processed in EDEKA's own facilities – often with raw materials sourced from the region. The benefits are clear: self-production strengthens independence and ensures the long-term supply of markets in important product categories – particularly advantageous for merchants and customers in times of uncertain supply chains and volatile raw material markets. Additionally, our own facilities can adapt flexibly and rapidly to market trends and changing customer needs. Especially in sensitive product categories such as meat and sausage, they guarantee controlled standards regarding quality, origin, and animal welfare throughout the entire process chain.



In 2023, EDEKA acquired the Italian pasta producer Pasta Rey, along with the company's own mill to produce durum wheat semolina. Established in 1851, this traditional company already produces a large portion of EDEKA's private-label products in the pasta segment. Additionally, in the non-alcoholic beverages sector, the EDEKA group strengthened supply security last year by integrating the Siegsdorfer Petrusquelle (Bavaria) and the Wilhelmsthaler Mineralbrunnen (Hesse). In total, three mineral springs, 14 bakeries, 14 regional meat processing plants, two fruit juice bottling plants, two wineries and a pasta factory are part of the association's production operations.

CREATING MORE VALUE

When the leading food retailer and one of the most successful German-language podcasts come together, it can only result in something good and delicious. With the “Baywatch Berlin” pizza developed in collaboration with the hosts Klaas Heufer-Umlauf, Jakob Lundt, and Thomas Schmitt, we once again succeeded in reaching out to the younger generation. This was achieved through communicative approaches infused with plenty of humour and a healthy dose of irony. The two varieties, “Golden Margherita” and “Million Dollar Salami,” were exclusively available in the frozen food sections at EDEKA, Netto Marken-Discount, and Marktkauf.

The EDEKA Group and the German Bone Marrow Donor Centre (DKMS) drew attention to a serious issue in August 2023: every twelve minutes, someone in Germany is diagnosed with blood cancer. With the All in Fruits Limited Edition “Mund auf!”, EDEKA and DKMS joined

forces to encourage even more people to register as potential stem cell donors. The EDEKA Group also supported DKMS with ten cents for every smoothie sold.

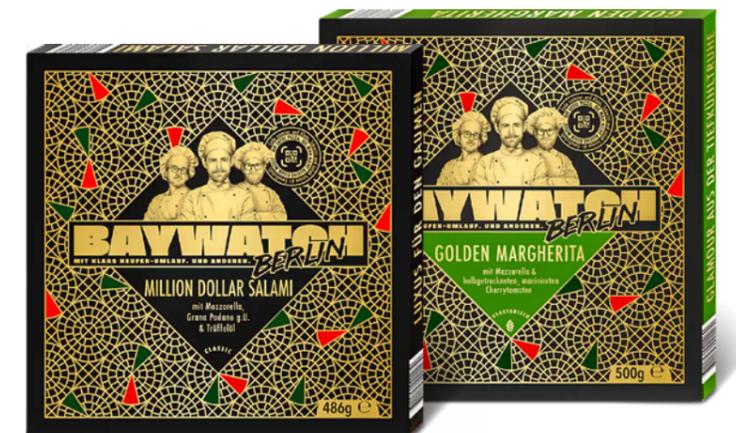
In 2022, the brand All in Fruits, together with Riccardo Simonetti, created the flavour “Diverse Früchtchen,” signalling diversity, and not only in German refrigerators. The one-year collaboration culminated successfully last year as the entertainer and host accepted a donation check worth €90,000 for the Riccardo Simonetti Initiative e. V. in May 2023.

In spring 2023, EDEKA joined forces with the Alzheimer Forschung Initiative e. V. to put Alzheimer's dementia at the centre of the Easter campaign. EDEKA donated one euro to the initiative for every “Christmas bunny” (chocolate bunny with a Santa hat) sold – raising a total of 200,000 euros.



To be included in the DKMS database, a free registration kit could be requested.

The special feature: customers can use the QR code on the back of the pizza box to have the three podcasters keep them company while they enjoy their pizza.



STANDING UP *for Our Climate*

BIODIVERSITY • SWEET WATER • FOOD VALUATION • REGIONALITY • SUSTAINABILITY • TRAINING • INTEGRATION • COOPERATION • CLIMATE PROTECTION

Environmental protection and social commitment are central concerns for the EDEKA Group. Especially in times of global (climate) crises, recession, and high inflation, there is an increased need for flexible, pragmatic, and decisive measures towards greater sustainability and societal cohesion. Therefore, EDEKA continues to invest significantly in environmentally friendlier supply chains, climate protection, and biodiversity to ensure the future provision of a diverse range of high-quality food for people. Whether through implementing various cultivation programmes such as "Farming for Biodiversity," innovative solutions for more sustainable freshwater management, or the partnership with WWF, which is unique worldwide, the partners collaborate intensively to significantly reduce the ecological footprint of the EDEKA Group and make products and supply chains more sustainable.

However, sustainability also holds an economic dimension for the EDEKA Group and has always been part of its entrepreneurial DNA. As a cooperative network of independent family businesses, EDEKA thinks not in quarters but in generations. The ultimate goal is to pass on a healthy company to future merchants. This naturally involves supporting young talents through diverse training and development programmes on their career paths. It also entails strengthening social cohesion in cities and communities, for example, through engagement in local projects and associations, as well as charitable and public institutions.

STRONG PARTNERS – STRATEGIC TOPICS

EDEKA and WWF have long been committed to enhancing environmental protection within their own shelves and supply chains. The partnership was extended for another ten years in 2022 and repositioned in terms of content. However, the overarching goal remained the same: the EDEKA Group aims to significantly reduce its ecological footprint – whether through expanding its range of more sustainable products or transitioning its supply chains.

To achieve this, the two partners set ambitious goals last year. Strategic focal points of the co-operation now include the protection of freshwater, climate, and biodiversity, as well as the responsible use of resources and materials. In the future, even greater emphasis will be placed on measures that enable EDEKA to have the maximum positive impact on our environment.

The progress we have made

Resource conservation

100 % FSC®- or Blue Angel-certified goods for wood, paper and tissue products

25 % recycled material for disposable drinks bottles

99.9 % of the palm oil used is certified and therefore comes from more sustainable sources

Freshwater protection

15,800 farms are recorded in the EDEKA water risk tool to monitor their more sustainable water use

73 % of all fruit and vegetable suppliers have been included in the tool since its introduction

20 farms of the banana project are certified with the AWS standard (Alliance for Water Stewardship), which promotes more sustainable water management

Climate protection

34 % reduction in absolute greenhouse gas emissions (Scope 1 + 2) for the EDEKA headquarters* since 2017

80 % of all properties at the EDEKA headquarters are equipped with LED lighting, building management systems and optimised lighting control

40 % of the properties at the EDEKA headquarters have an ISO 50001-certified energy management system

* including subsidiaries such as Netto Marken-Discount

Biodiversity

Over **200** organic farms nationwide participate in the “Agriculture for Biodiversity” programme and are thus committed to protecting biodiversity in domestic agriculture

10,600 kilograms/litre of pesticides were saved on the citrus project farms in just one project year

4.25 hectares on average per banana project farm are once again available to native plants and animal species whose habitat has been severely reduced by agricultural use

“NET ZERO” BY 2045

Climate protection and biodiversity conservation are among the greatest challenges of our time. Therefore, the EDEKA Group is making significant efforts to meet its ecological responsibilities. As early as 2022, the EDEKA headquarters joined the Science Based Targets Initiative to combat the climate crisis and became the first German grocery retailer to commit to the initiative’s Net Zero goals. These science-based and ambitious climate targets are aligned with the 1.5-degree Celsius target of the Paris Agreement and are set to be achieved by 2045 at the latest. In addition to directly controllable emissions, such as electricity consumption by refrigeration units or fuel consumption by trucks, emissions within the upstream and downstream supply chain are also a focal point. Concrete targets have been established, including in the WWF partnership agreement. Over the past months, EDEKA has worked intensively to identify climate hotspots in its assortment and develop emission reduction measures for various business areas.

Measurable progress has also been achieved in biodiversity conservation efforts in 2023. For example, within the Banana Project in South and Central America, protection zones between cultivation areas and natural ecosystems have been successfully expanded. These zones now cover an area of over 85 hectares, averaging 4.25 hectares per project farm. Indigenous plants are thriving again in these zones, providing habitats for animal species whose habitats were diminished by agricultural activities. Preserving natural habitats on agricultural lands is a key priority for both EDEKA and WWF in Germany. Therefore, the pioneering “Agriculture for Biodiversity” (LfA) programme in the German grocery retail sector was further expanded in 2023. The programme aims to increase the diversity of wildlife in agricultural landscapes. Numerous organic farms nationwide participate in the initiative, implementing selected conservation measures on their farms. Products from



these farms bear the LfA logo and are available in participating EDEKA markets. Since last year, organic vegetables such as mini romaine lettuce, courgette, sweetcorn, iceberg lettuce, and celery have been part of the LfA range.

Research conducted by the Leibniz Centre for Agricultural Landscape Research clearly demonstrates the benefits of the programme: rare amphibian species have been found in small bodies of water on LfA farms. Uncut areas have significantly higher insect populations across various species groups, and the breeding success of the whinchat has doubled on participating organic farms.



TAKING THE RE-USE ROUTE

In early 2023, the EDEKA Group took another step towards waste reduction by introducing its own reusable system for out-of-home consumption called regood. Whether at the hot counter, salad bar, or food service establishment, regood cups and bowls can be purchased with a deposit and returned for reuse after use. Great emphasis was placed on various sustainability aspects in the development of these containers, leading regood to receive the “Blue Angel” certification for particularly environmentally friendly products last year.



Critical to the success of sustainable offerings in retail is consumer acceptance. To examine consumer purchasing and consumption behaviour and enhance knowledge transfer in this area, EDEKA headquarters and Leuphana University Lüneburg will collaborate closely in the future. Through a six-year foundation professorship funded by EDEKA starting in 2024, research will focus on responsible consumption and the development of sustainable processes along the value chain.

Appreciation for food is also part of a more sustainable consumption behaviour, a cause the EDEKA Group has been actively supporting for many years. In 2023, together with Netto Marken-Discount, the EDEKA Group intensified its commitment by signing an agreement with Federal Minister Cem Özdemir, along with other retail companies. The shared commitment aims to reduce food waste by 30 per cent by 2025 and even 50 per cent by 2030, contributing to responsible resource management. To achieve this, the EDEKA Group continues to invest in modern systems to manage goods flows and expand collaboration with partners, including initiatives that process and market food, as well as local food bank organisations and other social institutions across Germany.

The special survey conducted as part of the EDEKA Neighbourhood Barometer 2023 focused on the topic of food appreciation and provided insights into the role of food sharing within close communities. The positive news: “Sharing food” is on trend even in times of global crises and inflation:

28% 

of respondents stated that they share food with their neighbours.

A functioning neighbourhood is part of the EDEKA Group’s DNA. Our retailers have been involved in their immediate neighbourhood for many years – in local daycare centres and schools, in social institutions and local clubs. Therefore, it’s only natural that the EDEKA Group, alongside the nebenan.de Foundation, is committed to fostering vibrant neighbourhoods in Germany and supporting various projects that promote and strengthen social engagement. In addition to the German Neighbourhood Prize, which annually recognises impactful projects, the Day of the Neighbour is also celebrated. In May 2023, it marked its sixth edition under the theme “Shaping Neighbourhoods Together,” with numerous events taking place across Germany.



ATTRACTIVE WORKING ENVIRONMENT

The shortage of skilled workers is pervasive in Germany and also affects the EDEKA Group, one of the largest employers and trainers in the country, with around 410,700 employees and 19,220 apprentices. Whether in the search for experienced staff or in filling vacant apprenticeship positions, the gap between supply and demand is widening. This is due to demographic reasons, but also because the expectations of the new generation have changed, whether it is about more sustainability or work-life balance.



Whether it was at the checkout, on the sales floor, or, as seen here, at the bakery service counter, a simple QR code at the point of sale provided direct access to job opportunities in the markets.

For generations, it has been a strength of the cooperative network to involve young people, nurture them, and show them appreciation. This begins with the job search. Since this year, young applicants can apply nationwide via WhatsApp. The “Supermarket – Superjobs” campaign placed the spotlight on the individuals in EDEKA stores, quite literally. The endearing “superheroes” featured were experienced EDEKA employees who inspire with humour and passion for their work.



To engage young people early and instil a passion for food, the EDEKA Junior Group offers various progressive training and development programmes, ranging from “Freshness Specialists” to “Retail Leadership.”

For those interested in apprenticeships, Jeremy Kreulig became familiar at the beginning of this year. The fictitious character created for the new apprenticeship campaign demonstrates, in a not entirely serious “Money Scam,” how young people can quickly earn money – through an apprenticeship at EDEKA. Alongside the apprenticeship campaign, the “EDEKA Career” WhatsApp channel was launched, where campaign testimonial Jeremy motivates potential applicants by all means to “join the group” and become part of the EDEKA Group.

LEARNING NEXT LEVEL

Lifelong learning is essential, especially in the retail sector and when dealing with food products. To meet this need, EDEKA launched a digital learning platform last year: “EDEKA next.” This new platform brings together all training and development opportunities as well as consolidated EDEKA knowledge in one central location accessible anytime through any internet-enabled device.



“EDEKA next” takes the next step towards contemporary competency-based learning. Established talent development initiatives are enhanced with modern blended learning programmes. The success of such digital formats is evident from the well-received AzubiGuide launched two years ago, enabling trainees to create reports on their smartphones. However, this doesn’t imply that learning at EDEKA will be exclusively online in the future – personal knowledge transfer remains indispensable.



EDEKA stands for diversity. Through the GEH DEINEN WEG scholarship programme of the Deutschlandstiftung Integration (DSI), EDEKA actively invests in fostering young talents with migration backgrounds. The aim is to promote the personal development of scholarship holders and accompany them on their career paths through mentoring and specialised training offerings. At the end of 2023, on the International Day of Migrants, a fireside chat organised by DSI took place at the EDEKA headquarters. CEO Markus Mosa, along with DSI Foundation Board Chairman and former Federal President Christian Wulff, welcomed numerous GEH DEINEN WEG scholarship holders for an enriching exchange of experiences.

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