

A photograph showing a delivery person in a black Edeka uniform and face mask handing a brown paper bag to an elderly woman with white hair and glasses. The woman is leaning out of a window. The bag has the text 'Wir Lebensmittel.' and the Edeka logo. The scene is set against a white wall and a brick base.

GROWING TOGETHER

COMPANY REPORT 2020 · EDEKA GROUP



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EDEKA GROUP PROFILE

The co-operative structure of the EDEKA Group once again proved its worth even in the corona year 2020. The three tiers—independent retailers, regional wholesalers and EDEKA Zentrale—worked hand-in-hand in overcoming the extraordinary challenges posed by the corona pandemic.

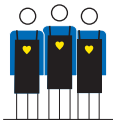
82

START-UP ENTREPRENEURS

in 2020 took the leap to independence with their own EDEKA store, closely supported by their regional wholesaler and EDEKA Zentrale.

3,600

INDEPENDENT RETAILERS



stand for entrepreneurial action, for customer proximity and solidarity with the region. In 2020 they were once again the guarantors for the Group's innovative power and its growth.

40 m



MASKS



(textile masks covering mouth and nose as well as medical masks) were procured centrally during 2020 and sold in the Group's stores.

61 bn

TURNOVER DEVELOPMENT

The EDEKA Group continued its revenue and earnings-oriented growth course in 2020. The most powerful drivers for growth were once again the independent retailers.

Net turnover, in billion euros

Independent retailers
Directly managed retail trade
Netto Marken-Discount
Bakery retail trade
Grocery retail trade
C+C EDEKA Foodservice
Customer sales Online
EDEKA GROUP TOTAL

2019

29.0
8.6
13.5
0.5
51.7
2.8
1.2
55.7

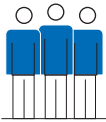
2020

33.1
9.1
14.6
0.5
57.3
2.5
1.2
61.0

%

14.2
5.6
7.9
-12.8
10.9
-11.5
0.1
9.5

402,000
+21,000



EMPLOYEES

did an outstanding job in the year 2020 and proved once again that they are indeed the backbone of the EDEKA Group. Over the course of the year some 21,000 new jobs were created at EDEKA and Netto.



2020

11.58 m

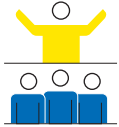
SQUARE METRES

+144,000

SQUARE METRES OF SALES AREA

give space to diversity and an enjoyable shopping experience.

19,250



APPRENTICES AND TRAINEES

are currently starting their career in the EDEKA Group—850 more than in the previous year.

11,112

STORES

provide a high-quality local supply network covering all of Germany.

INDEPENDENT RETAILERS	5,698
DIRECTLY MANAGED RETAIL OUTLETS	1,152
NETTO MARKEN-DISCOUNT	4,262

ACTING IN SOLIDARITY.



The Executive Board of EDEKA Zentrale in conversation about an historic year and the challenges we face at present.



MARKUS MOSA

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

Mr Mosa, when you look back at the fundamentals prevailing in the year 2020, to the coronavirus pandemic and the economic and social disruption it brought with it, what is the first thing that comes to mind?

MARKUS MOSA The great solidarity that I encountered time and again in many areas of everyday life throughout the year. The stories of neighbours supporting each other, and the appreciation for the work of the doctors and nurses and other health personnel in the hospitals. Corona is a chapter of historic dimensions, one that we can only bring to a close if we work together as a community and society. This means that EDEKA, too, has a responsibility to show solidarity.

The past year also presented EDEKA with many challenges. How did the Group perform?

MARKUS MOSA What matters, especially in uncertain times such as these, are proximity and character. And this is a hallmark of our retailers and their teams, and the customers are rewarding it with their trust.

»IT WAS CONFIRMED TO US ONCE AGAIN THAT IT IS OUR CO-OPERATIVE MODEL THAT PROVIDES THE HIGHEST POSSIBLE LEVEL OF ENTREPRENEURIAL FREEDOM.«

MARKUS MOSA

It was confirmed to us once again that it is our co-operative model that provides the local retailers with the highest possible level of entrepreneurial freedom. It is therefore not surprising that we managed to generate the biggest increase in sales in the independent retail segment. But Netto Marken-Discount has also grown in tandem along with the market, as did our specialist store formats. All of this amounts to success for the team as a whole, which could only be achieved thanks to a lot of overtime, Sunday work and night shifts. And all at some risk to the personal health especially of those of us who are in daily contact with our customers. We are extremely grateful to all colleagues in retail, in wholesale, in logistics and in the production units.

It is not the case, however, that all of the EDEKA businesses are being favoured equally by the increase in business volume, or is it?

MARKUS MOSA That is correct. The retailers operating their stores at airports and railway stations, for example, where we still have to show patience until we get back to the frequencies we had before. And also those located in holiday or peripheral regions where the borders were closed, so that their business came to an almost complete standstill. And the ones who had only just invested in gastro concepts and were then forced to close their gastro sections for weeks or months. It was especially hard for our C+C business with the EDEKA Foodservice, which suffered a massive slump in 2020.

Mr Meineke, how did the online business benefit from the pandemic?

CLAAS MEINEKE The lockdown acted as a kind of growth accelerator for the food delivery services. One example here is the start-up Picnic in the Netherlands, in which we increased our stake in 2020. The company expanded rapidly and is already doing deliveries to over 30 cities in the Rhineland region, and in spring they opened a third logistics centre.

Has digital proximity to the consumer also continued to become more important for you?

CLAAS MEINEKE First of all, this proximity already exists, between our merchants and their local customers. Our job is to help strengthen this bond—and to develop the right tools for doing so. One vital step along this path was the merging of the EDEKA app with our Genuss+ app. Used in combination with the DeutschlandCard programme, we are creating a mobile phone-based customer loyalty system that benefits customers and merchants alike.

»OUR JOB IS TO HELP STRENGTHEN THIS BOND BETWEEN MERCHANTS AND CUSTOMERS—AND TO DEVELOP THE RIGHT TOOLS FOR DOING SO.«

CLAAS MEINEKE

Mr Mosa, what other opportunities for growth for the EDEKA Group can you identify?

MARKUS MOSA Our focus is, as always, on strengthening our co-operative model of the entrepreneurs' enterprise. Be it through start-ups, the handover of directly managed operations, or through organic expansion. In rural regions we are in a strong position; we see further potential for our full-range and discount formats, especially in urban areas. Netto Marken-Discount is pursuing the qualitative upgrade of its network of branches at an undiminished pace—last year alone, almost 600 locations underwent an upgrade! Promising development is also occurring with our specialist store concepts, such as BUDNI. They can act as an additional component, not least under the management of EDEKA merchants.

And what focal points have emerged in the merchandise business?

MARKUS MOSA The year 2020 clearly demonstrated the stability and reliability of our co-operation with SMEs and with the agricultural sector. Together, we succeeded in ensuring and maintaining the supply for the people in Germany. At the same time, it also gives us leverage for the further expansion of our successful concept of "regionality". I also see great potential in the further development of the organic range, for example with organic food associations,

and in the vegan range. And it goes without saying that our goal remains to continually demonstrate that the EDEKA range products represent value for money across all the distribution channels. We already succeeded in doing so in 2020, in the wake of the reduction in VAT.

The focus here is mostly on Germany itself.

What is the situation beyond our borders?

MARKUS MOSA As a co-operative, our roots have always been in Germany. This makes targeted co-operation with trading partners in other European countries all the more important, be it through joint ventures or joint projects. We continued on this path in 2020, in co-founding Picnic Everest. This opens up new international prospects for us: from the base in Amsterdam, annual talks are held, fresh produce is bought and sold, and the private label business is further developed.

CLAAS MEINEKE

Member of the Executive Board
Marketing and Distribution,
EDEKA ZENTRALE Stiftung & Co. KG



MARTIN SCHOLVIN

Member of the Executive Board
Finance and Human Resources,
EDEKA ZENTRALE Stiftung & Co. KG

Mr Scholvin, in an expanding group, it is often the well-trained specialists that can make the difference between us and our competitors. Is EDEKA a reliable provider of vocational training even during the coronavirus pandemic, and will it remain that way?

MARTIN SCHOLVIN Most certainly! We managed to meet our commitments and our responsibility as an employer and as a provider of vocational training even during the pandemic. Last year we created about 21,000 new jobs within the EDEKA Group, and, defying the general trend, we also boosted the number of apprentices and trainees. Anyone starting out on a professional career with EDEKA can rest assured that they will find themselves provided with a diverse range of opportunities, in a crisis-proof environment. This is what sets us apart, and young applicants certainly appreciate that fact.

Are you actually a fan of rap music?

MARTIN SCHOLVIN In relation to our recent apprenticeship campaign "Hip Hop hat genug kassiert, jetzt bist du dran" ("Hip hop has cashed in enough, now it's your turn"), then the answer is a definite yes. But we are not about to make the mistake of falling into the cliché trap here. Our campaigns are given an unconventional twist, and that appeals to potential young applicants.

Corona caused a kind of exceptional economic situation in 2020. EDEKA recorded a double-digit increase in sales. Where will the additional profits go?

MARTIN SCHOLVIN First of all, we also incurred high costs in our effort to maintain the basic supply; at the same time, we also had to ensure compliance

»THE INCOME WE GENERATE IS RE-INVESTED IN OUR BUSINESS—THAT IS, IN GERMANY AS AN ECONOMIC LOCATION.«

MARTIN SCHOLVIN

with high safety and hygiene standards. More to the point, for us as a co-operative, the governing principle is: whatever income we generate is not distributed to some anonymous investors, but is re-invested in our business: in stores and product ranges, in logistics, in production facilities, and in our staff—in other words, in Germany as an economic location.

Mr Meineke, what were the points of emphasis promoted by the EDEKA campaigns during the last financial year?

CLAAS MEINEKE Here again, corona was and is the common thread running through it all—in the sense that we are trying to support people in their day-to-day lives using creative means. This is true for conventional campaigns, for the social media channels, and also for new formats such as a successful podcast. "Wir & Jetzt für unsere Region" ("We & Now for our Region") was a central theme in 2020, one that foregrounded regional products and—as a contingent part of it—the proximity to our customers and the close co-operation with the agricultural sector. Right now, in the spring of 2021, we are communicating a powerful message in support of greater sustainability and also highlighting the successful partnership with the WWF which has been going for over ten years now.

Mr Mosa, let us now look ahead to the future. Will EDEKA be able to repeat the sales performance of the year 2020?

MARKUS MOSA Nobody is in a position at this time to make a credible assessment of the ways in which the coronavirus pandemic and any pandemic-related measures will impact on the current financial year. For this reason, we are reluctant to make predictions. What is clear, however: we will continue to fight hard in 2021 to hold on to the additional market share we gained in 2020. Our aim is to foster a permanent bond with all our new customers. And we are determined to seize every opportunity unfolding in the course of the year.

MASK ON AND LET'S GO!

They were on their feet for long hours every day, constantly restocking empty shelves as well as providing assistance and advice to bewildered customers: rarely did it become so clear just how “systemically relevant” food trade employees really are. EDEKA merchant SEDAT KARAVIL and his store manager JASMIN SCHLEID are just two of the many persons in the EDEKA Group who—according to German Chancellor Angela Merkel—“kept the store running.”

KEEPING THE STORE RUNNING

The coronavirus pandemic is posing enormous challenges for the SME-based EDEKA Group. It was and remains the task of the food retail trade to provide the population with essential supplies of high quality food and food-related products—every day and everywhere in Germany. EDEKA merchant Sedat Karavil and store manager Jasmin Schleid took up this challenge right from the start. Like other merchants and their teams, they mounted an enormous effort and achieved great things—and they did so under extreme stress and at high risk to their own health. The EDEKA merchant from Obing in Southern Bavaria is therefore justifiably very proud of his employees.



Sedat Karavil
EDEKA merchant, Southern Bavaria.

»THE WAY WE WORKED TOGETHER WAS VERY IMPRESSIVE INDEED. I AM STILL SUPER EXCITED ABOUT THE COMMITMENT AND PERFORMANCE OF THE ENTIRE TEAM.«

SEDAT KARAVIL, EDEKA MERCHANT



Jasmin Schleid
Store Manager, Southern Bavaria.

THREE QUESTIONS FOR JASMIN SCHLEID

What was it like for you when corona first emerged?

JASMIN SCHLEID The customers were much more stressed than usual, and they bought much more groceries. That made work that much harder for us—but we have since found a good balance.

What is it like to work while wearing a mask all day?

JASMIN SCHLEID It is of course tiring, because with the protection comes a reduced air supply. Since masks were mandated, we have increased the number of breaks at the store, so that people also get a chance to breathe more freely now and again.

How have the people in your social environment responded to the work you do?

JASMIN SCHLEID People are definitely being highly appreciative. It does result in some restrictions at home, however. My grandma lives next door—which means I try to avoid contact, so as not to expose her to any risk since she belongs to the high-risk group.

TRIAL BY FIRE

When demand virtually exploded back in March 2020—keyword “panic buying”—capacities had to be made available overnight, massive amounts of overtime had to be worked, and Sundays and public holidays had to be worked through in order to cope with the situation. Sometimes store manager Jasmin Schleid was also asked to do some psychological counselling. She had to resolve stressful situations in the store, help customers overcome their fears, and inform them time and again about the necessary measures. It has been a real trial by fire for the 24-year-old, who had only been promoted to the position of store manager just before the coronavirus pandemic hit.

HEALTH PROTECTION ENJOYS TOP PRIORITY

It goes without saying that all regulatory requirements were implemented immediately and without fail. As well as additional personnel costs and in some cases cost-intensive hygiene services such as disinfection facilities, the challenges included having to set up structural measures, in the form of partitions on checkouts, and other means to ensure people maintained proper distances. Depending on local circumstances, this sometimes called for pragmatic solutions—especially as the measures were needed virtually overnight.



VALUES AS DRIVERS FOR GROWTH

The year 2020 proved that the co-operative model of the entrepreneurs’ enterprise can continue to function even under the most difficult conditions. With the support of the Group’s upstream tiers, the independent retailers successfully overcame any and all challenges they encountered locally with flexibility and pragmatism. The consumers, in turn, rewarded them for this achievement with their trust and confidence.

As a result, the EDEKA Group managed to further increase its market share in the expanding food retail market over the past year. According to an analysis by the Gesellschaft für Konsumforschung (GfK) (Society for Consumer Research), especially young people were attracted to full-range retailers like EDEKA during the corona year. The analysis suggests that one of the decisive factors, especially in these age groups, is the growing desire for more sustainable products and brands with a clear set of values for guidance. This view would appear to be supported by the fact that products from regional production and organic food products are among the big winners in the product range in the corona year 2020.



For customers and employees alike—health protection and the prevention of infection of the people at the store were given top priority throughout.

SUCCESS MODEL DIVERSITY

In the year 2020, EDEKA's independent retail segment proved itself again as an engine for growth for the entire Group. The approximately 3,600 independent retailers boosted their turnover by 14.2 per cent, to a total of 33.1 bn euros.

On a like-for-like basis, growth came to 11.8 per cent. The 1,150 EDEKA and Marktkauf locations managed by the seven regional EDEKA wholesalers recorded a sizeable increase in turnover of 5.6 per cent in 2020. The market research company GfK explained the success of the supermarkets and hypermarkets as follows: "It's due to the fact that the full-range food retailers offer consumers the most comprehensive, differentiated, high-quality and innovative range of products". This was also appreciated by the customers—especially in times of increased risk of infection and a retreat to the home, where more people did their own cooking. "It is clear that during the coronavirus pandemic, the product range, quality and service favoured full-range food retailers."

Shopping behaviour is changing

Less frequently, but in greater volume—more quality, more regionality, more organic products.

MORE THAN JUST AFFORDABLE

In 2020, the EDEKA merchants distinguished themselves in special ways, by offering organic products, regional products as well as distinctive fresh assortments and expert service. In doing so, not only did they fulfil the wishes and expectations of many consumers; it also put them at the front and centre of a broad, emerging mainstream social trend. However, creating such added value does not mean neglecting the value-for-money aspect of the product range. Quite the contrary: especially following the VAT reduction in July 2020, the merchants managed to convey the message of the attractive price-performance ratio at their stores in a consistent and credible manner.

The successful annual balance sheet must not obscure the fact that many independent EDEKA entrepreneurs were put under severe stress in 2020. This applies, for example, to locations in high-frequency areas such as shopping centres, railway stations or airports, as well as to stores located in border areas or tourist regions. The food courts in many shopping areas also had to remain closed for the most part.



ANGELA CHRISTENSEN, multi-operation entrepreneur in Schleswig-Holstein, opened her second store at the beginning of 2020, right in the centre of Kiel: a local supplier on 500 square metres, in a prime city location.

How badly were you affected by corona?

ANGELA CHRISTENSEN The new location would normally be sustained by events like the Kieler Woche (Kiel Week) festival. And from cruise line passenger tourism, of course. Since the coronavirus pandemic began, the number of customers in both these segments has been well below expectations. Because the store is located right in the pedestrian precinct, the lockdown has naturally hit us hard—there were times when we even reduced our opening hours.

What do you anticipate for the future?

ANGELA CHRISTENSEN The brief peak during the summer holidays has shown me just how much potential there is in this location—at some point in the future things will pick up again.



Confident
EDEKA merchant Angela Christensen
in her newly opened store.



AWARD WINNERS

They manage the "SUPERMARKETS OF THE YEAR": the **WEZ store** in Bad Oeynhausen run by the entrepreneurs' family Preuß and the **EDEKA store Prechtl** in Raubling impressed consumers as well as the panel of experts, and that makes them Germany's leading shopping facilities for groceries.

"EMPLOYEE OF THE YEAR" awards went to **Adrian Stanciu**, EDEKA Fitterer Baden-Baden, (customer prize) and **Mareike Obermann**, WEZ Bad Oeynhausen (jury prize).

Location, store design, likeability and trust—the GfK awarded the "BEST FOOD RETAILER" in Germany for the first time in 2020. There was only a single award winner. Namely: **EDEKA**.

START UP WITH EDEKA

131 new EDEKA stores opened their doors for the first time in 2020. Many of the new stores are operated by start-up entrepreneurs. The mission of the EDEKA Group according to its articles of association is to create and promote operations run by self-employed entrepreneurs in the food retail trade. The group also fulfilled this mandate in the year 2020: 82 young retailers took the leap into an independent existence with an EDEKA store of their own.

NEW OPENINGS:



131
STORES

SALES FLOOR SPACE
1,500 m²

HIGH SPEED

Since the beginning of the coronavirus pandemic, Netto Marken-Discount—just like the EDEKA retailers—has tackled the challenge of ensuring a comprehensive nationwide local supply. Thanks to the outstanding effort of all 84,000 employees (+ 6,000) working at the branches, in logistics as well as in procurement and distribution, they succeeded in this mission throughout the year. Consumers particularly appreciated the breadth and depth of product range compared to that of competitors in the discount segment, a range that is characterised by brand diversity and a high proportion of regional products.

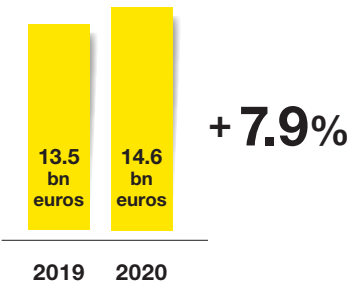
With an increase in sales of 7.9 per cent, to a total of 14.6 bn euros, Netto Marken-Discount emerged from the 2020 financial year in a stronger position. At the same time, Netto continues to pursue its quantitative and qualitative expansion at a great pace. In addition to 100 new openings, 566 branches underwent extensive modernisation during the year—with an emphasis on modern design and the use of energy-efficient technologies.

566
NETTO LOCATIONS
WERE MODERNISED IN 2020

JUST AS ENJOYABLE ONLINE

The brand's consistent modernisation effort also included the range of digital services offered by Netto Marken-Discount. For example, the Netto Online Shop is being presented as a virtual Netto branch, with a succession of varying themes and special offers. In total, the Netto Online Shop offers a selection of around 1,000 grocery and drug store articles that do not require refrigeration, as well as some 50,000 non-food products, making it the perfect addition to the weekly shopping trip at the brick-and-mortar Netto store.

DEVELOPMENT OF TURNOVER Netto Marken-Discount



MOBILE PAYMENT PIONEER

With the Netto app, a payment service for convenient, quick and contactless shopping was introduced at an early stage. By now, there are a number of different ways for making mobile payments, redeeming vouchers or collecting DeutschlandCard points.



Service at the checkout
Payment via Apple Pay
or Samsung Pay is now available nationwide.

EXPERTISE

In addition to full-range retailers and discounters, specialist retailers for special food ranges and drug store articles also made an important contribution to supplying consumers. With their expertise in providing specialist advice and the depth of their product range, they succeeded in retaining customers, as well as significantly increasing sales during the corona year.

The EDEKA Group continued to invest in the further development of its specialist store concepts in 2020—with the clear objective of opening up additional growth potential for independent retailers. NATURKIND, for example, represents a format with which EDEKA is ready to service the continuing boom in organic products, especially in urban agglomerations. And with their trinkgut range, EDEKA-Rhine-Ruhr has been demonstrating how to successfully operate bottle stores for years. The rapid growth that the approx. 250 stores had already exhibited under direct management was given a further boost following the handover to independent retailers.

»TRAILBLAZING« CONCEPT

In August 2020 BUDNI presented their new branch concept, implemented at a pilot store in Hamburg-Winterhude for the first time. Deployed here for the first time is the new "BUDNI-Wegweiser" (signpost)—an innovative in-store system for providing guidance on how to shop more responsibly, by directing customers towards more sustainable products. At the same time, the product range was gradually developed further using ecological criteria—both here and at the other branches. Especially for the pilot store, an independent brand identity was also presented—complete with a new logo and with the slogan "gut für dich und deine Welt" ("good for you and for your world").

On this road to greater sustainability, BUDNI was joined by a powerful partner in 2020: the WWF supports the drug store retailer with expert advice in its commitment to a more sustainable product range to protect freshwater, natural resources, the climate and biodiversity.



BUDNI presented its new store concept at Hamburg's Gertigstrasse for the very first time.



Inspiration for sustainable shopping: this is what the new PERLE, the BUDNI customer magazine, has been offering since the summer of 2020.

THEY’VE GOT SOMETHING IN STORE!



They have become part of the normal street scene in the Rhineland and the Ruhr regions: the electric, extra-slim and efficiently loadable Picnic delivery vans—ideal for deliveries in urban areas.

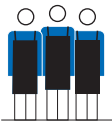
More of a niche market for quite some time, online sales of fresh groceries received an unexpected boost last year. The coronavirus pandemic led to a massive upturn in the willingness of many consumers to shift at least part of their shopping across to the Internet. The reasons for doing so are obvious: the extensive lockdown—combined with the shutting down of large sections of the brick-and-mortar retailers—and the

endeavour to reduce the frequency of social interaction. Any existing impediments to online shopping were seen as less imposing. The delivery services in the EDEKA Group also benefited from this trend, with some of them recording high double-digit growth rates in the course of the year. Among the big winners was Picnic: the number of customers using this online supermarket more than doubled in the year 2020.

PICNIC GERMANY: RAPID GROWTH IN 2020


360
ELECTRIC
DELIVERY
VANS

+146%
CUSTOMERS
YEAR-ON-YEAR


EMPLOYEES
600 → 2,000

»FEW E-COMMERCE SEGMENTS ARE GROWING AT THE RATE ONLINE GROCERIES DO, AND THIS TREND WILL CONTINUE. THIS IS WHY WE ARE EXPANDING OUR CAPACITIES.«

FREDERIC KNAUDT,
GENERAL MANAGER PICNIC GERMANY

THE MILKMAN PRINCIPLE

The range of products offered by Picnic currently consists of more than 10,000 items, including fresh fruit and vegetables, regionally produced food, as well as other products for daily use such as hygiene articles. Every order is delivered to the door by electric vehicles. Deliveries do not incur additional charges and are made using efficient electric trolleys. They always follow the same routes, so that they arrive at the respective locations at fixed times—just like the “milkman” used to do in the old days.

In April 2018, Picnic Germany opened its distribution centre in Neuss—in partnership with EDEKA Rhine-Ruhr. Picnic has been making deliveries in over 30 western German cities and has been expanding rapidly ever since. In the year 2020, Picnic and EDEKA consolidated their partnership through the jointly established company Everest. The joint enterprise based in Amsterdam trades in diverse products and continues developing the private label business further.

Set for further
expansion:
Frederic Knaudt.



STRENGTH IN THE REGIONS

Bringmeister also benefited from the boom in online trade: the EDEKA subsidiary almost doubled sales in the greater Berlin and Munich metropolitan areas in 2020. Delivery capacities were also expanded to meet the burgeoning demand. In the course of this financial year, Bringmeister will be taken over by the Czech company Rockaway Capital, one of the leading Internet investors in Central and Eastern Europe. This opens up new opportunities for the online retailer to further develop its business. The EDEKA Group will be supporting Bringmeister in its future development by working with the company, a delivery services partner.

Market research shows that most people do not exclusively buy from either brick-and-mortar stores or online; they tend to use both options. For this reason, an online shop that includes deliveries forms part of the range of services offered by many independent EDEKA retailers. As part of the OLIVIA project, the EDEKA wholesalers and the Zentrale are currently developing a modern digital infrastructure for this purpose. In addition, EDEKA is also harnessing the innovative strength of emerging start-ups at the regional level. A good example here is “Bringman”: the shopping app developed by IT students at the Karlsruhe Institute for Technology brings together grocery retailers, customers and shopping helpers. The pilot project involving about 60 EDEKA stores in the Offenburger region has been under way since December 2020.



In 2020 Picnic launched the “Nurses and doctors first!” campaign in appreciation of the committed effort shown by medical and nursing staff and offered them an exclusive Sunday service.

CREATIVE WAYS!



The Food Tech Campus in Berlin-Moabit offers start-up entrepreneurs space to develop and trial new food and retail ideas.

To re-invent oneself over and over—this is a guiding principle followed by all retail formats in the EDEKA Group. This applies to innovations in the product range as much as it does to the adoption of new technologies and the ever-increasing integration between the brick-and-mortar establishments with digital and mobile services. The aim is always to make the shopping experience even more holistic and all-embracing for the customers.

EVERYTHING PROCEEDING AS PLANNED

Of growing importance for the retail trade are not only emerging food trends, but also technological solutions. The EDEKA Food Tech Campus is a melting pot for creative ideas: the co-working space in Berlin-Moabit offers young entrepreneurs a place where they can develop and trial their innovations. An “Open Innovation Call” invited start-up entrepreneurs in mid-2020 to find creative solutions for the food retail trade during the time of corona. One of the outcomes was “Blipstream”: this technology for making real-time measurements was originally developed to eliminate queues at checkouts. Now it was further developed in collaboration with experts on the Food Tech Campus and turned into a digital counter for customers entering stores.

The Foodstarter platform—which has now become the biggest B2B market place for start-up product innovations in Germany’s food retail sector—is the “digital portal” to the EDEKA stores for start-up entrepreneurs. In 2020 more than 350 start-ups were using the platform to promote their products directly among the merchants. 3,000 actively participating stores were able to choose from about 2,000 items—700 more than in the previous year.



APP IN APP

Smartphone applications in particular are opening up new opportunities for retailers. Reason enough for the EDEKA Group to raise the mobile customer loyalty programme to a new level in the year 2020. The Genuss+ app and the EDEKA app now go hand-in-hand—or rather: app-in-app. Because the two previously independent apps merged into a single digital entity, resulting in an even better tool for both merchants and customers. At the beginning of the new year, the new EDEKA app was rolled out in all regions—with numerous new features that benefit not only customers.

SCAN, PAY, DONE!

The coronavirus pandemic has led to many consumers looking for contactless payment options. And so EDEKA developed a solution for that as well in 2020. The new payment function “Scan & Go” in the EDEKA app allows customers to scan items directly on the shelves, complete payment digitally, and then leave through an “Exit gate” without having to go through the checkout. The code required for the gate is displayed on the smartphone when payment has been completed. Using this method, long waiting times at checkouts can be avoided, and contactless shopping becomes an option. In recent months the innovative technology has been successfully trialled in collaboration with a number of EDEKA merchants, and it has since been rolled out gradually to additional stores.



- **Save products in digital shopping list**
- **Receive news directly from your favourite store**
- **Collect Deutschland-Card points**
- **Gain additional benefits with the Genuss+ status**
- **Pay with the app and get the shopping done more quickly**



PODCASTS ARE BECOMING INCREASINGLY POPULAR

Digital communication channels have become an indispensable link between consumers and retailers. Especially during the pandemic it has become clear just how well the dialogue is going. One format in particular was booming in 2020: the number of podcast fans in Germany surged and is still growing exponentially. The new nutrition podcast “ISS SO” (the way to eat) presented by EDEKA also had a successful launch. Nutrition expert Achim Sam and host Julia Rohrmoser provide listeners with competent advice on how to eat well—witty, easy to digest and to the point.

» I DO NOT WISH TO SERVE UP SOME KIND OF BLAND DIET, BUT PROVIDE FACTS AND INSIGHTS—SO THAT LISTENERS CAN ENJOY GOOD FOOD WITH A CLEAR CONSCIENCE. «

ACHIM SAM,
EXPERT NUTRITIONIST AND BEST-SELLING AUTHOR

GOODNESS

IS

SO NEAR.

EDEKA stands for regional diversity. One example is the collaboration with farmers like GEORG THALHAMMER in Lower Franconia. Together with 25 other growers, he cultivates Hokkaido pumpkins for EDEKA Bio—in accordance with the strict guidelines of the Demeter Growers' Association.



ROOTED IN THE SOIL

Georg Thalhammer has been growing organic produce all his life. Ever since he was born and grew up on his grandfather's farm in Upper Bavaria 63 years ago. In 1987, he was one of the first organic farmers bold enough to cultivate the Hokkaido pumpkin in southern Germany—not in a garden, but in large fields. The pilot project has since turned into an exemplary success story. Today Georg Thalhammer and the 25 organic farmers in his growers' association supply 1,000 tons of pumpkins in Demeter quality to the EDEKA merchants in his region as well as nationwide every season.

A MATTER OF THE HEART

Trading with regional and local suppliers, farmers and producer groups is an integral part of the tradition in the EDEKA Group. Firstly there are the seven EDEKA wholesale operations which have been running successful regional programmes for decades. Secondly, independently managed EDEKA stores have always had the entrepreneurial freedom to develop their own product range. This includes partnerships such as those with growers like Georg Thalhammer. Some merchants co-operate with up to 120 local producers and direct suppliers—covering anything from fruit, asparagus and berries to honey and brewery products.



We all know each other
Short delivery routes guarantee
a high degree of freshness
and product quality.

MANY EDEKA MERCHANTS
CO-OPERATE WITH UP TO



120
LOCAL
PRODUCERS

SHORT ROUTES =
QUALITY + FRESHNESS + TRUST

Co-operating with local and regional producers allows the stores to meet the demand for food products that are typical of their region, a demand that has been rising steadily for years. Especially during the coronavirus pandemic, the importance of regionality, proximity and trust in grocery shopping has risen once again, as current market research shows.

» BEFORE THE PLANTS BLOSSOM
AND THE FRUITS GROW AND RIPEN,
WE KEEP THE FIELDS FREE OF WEEDS,
AND WE DO SO USING EQUIPMENT AS
WELL AS BY HAND.«

GEORG THALHAMMER, ORGANIC FARMER



CLOSE TO NATURE

Thalhammer, like many of his colleagues who produce according to the criteria of the Demeter Association, relies on crop rotation practices that are as close to nature as possible in order to keep the soil healthy and to protect the environment and nature. Herbicides, pesticides or nitrogen fertilisers—commonly used in conventional agriculture—are taboo. The farmer is particularly proud of the fact that he is independent when it comes to the subject of seeds. As an organic grower, he specialises in the selection and propagation of seeds, and he carefully guards his "treasure trove": year after year, the best-looking pumpkins are selected according to colour, shape and weight, and their seeds are dried, ready to be sown again the following year. In this way, he maintains full control of the value-adding cycle.



The results are spectacular:
starting in late summer, when the pumpkins
are ripe, the bright orange-and-red delicacies
from Georg Thalhammer's growers
association can be found on the shelves
of the EDEKA stores.

REGIONALITY IN THEIR DNA

Through their brand programmes, the seven EDEKA wholesale operations have been helping to bring products from local and regional producers to the stores for decades. With contracts often extending over several years or through purchase guarantees, they give producers of fruit and vegetables, meat or dairy products planning security and offer them a variety of opportunities for joint growth. The decentralised structure proved itself once again during the year of corona: not least thanks to the high proportion of regional and local suppliers, the EDEKA Group was always able to respond quickly to changes in demand. Here is a small selection of our diverse range of regional initiatives:

FAIR TERMS AND CONDITIONS

A promise for improved animal welfare, greater sustainability, and an appreciation of the farmers themselves: **BauernLiebe**, the programme launched in the summer of 2020 in the Rhine-Ruhr region, combines improved animal welfare in livestock farming and sustainability in agriculture with fair conditions and bonus payments for farmers.



1,500

REGIONAL SUPPLIERS

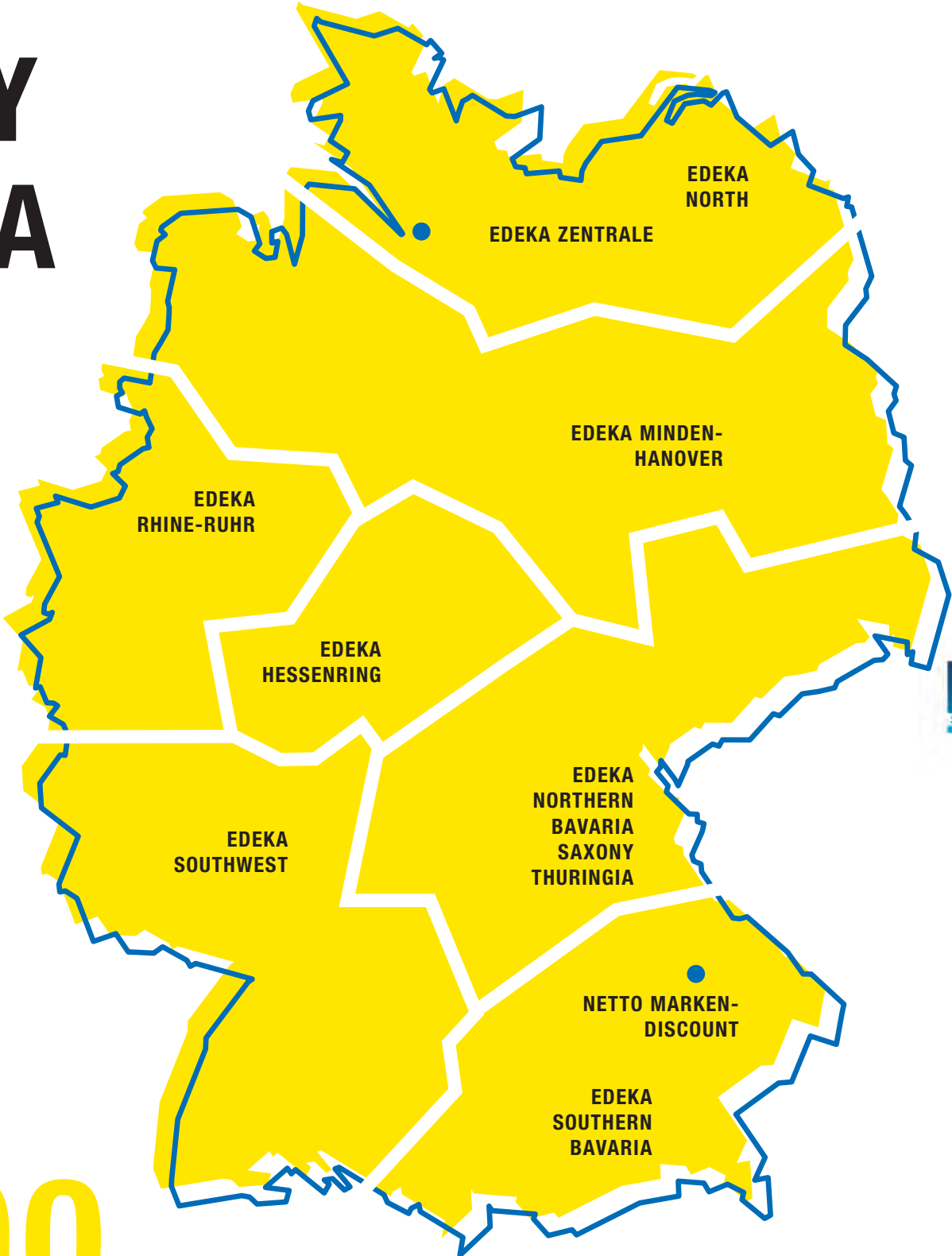
Under the brand **Unsere Heimat – echt & gut** ("Our homeland—authentic and good"), carefully selected and regularly monitored production operations in the regions Southwest, North and Hessenring produce high-quality products such as dairy products, fruit and vegetables, sausages and cold cuts, pasta, eggs, and many more. Not only does the scheme ensure short supply routes; it also enhances the importance of regional and local agricultural enterprises.



HOME-GROWN DIVERSITY

EDEKA Mein Bayern ("My Bavaria") entices customers in the Southern Bavaria region with more than 100 regional delicacies like freshly harvested fruit and vegetables, milk, cheese, bread or frozen foods. The range also includes the meat, cold cuts and sausage specialities produced by the meatworks **Südbayerische Fleischwaren**, which stand for clarity in terms of origin and quality testing.

100
REGIONAL
DELICACIES



HEIMATLIEBE

EDEKA **Heimatliebe** (Love of homeland) offers more than 100 fresh quality articles from the region—in accordance with strict specifications, regularly inspected and in close co-operation with local producers. The place of origin and transport routes are all transparent: QR codes on the packaging indicate the exact place where fruit and vegetables come from. 100 per cent from within the region. 100 per cent from the heart.



REGIONALITY FIRST

With **EDEKA fair!**, a co-operative venture with three dairy partners based within the region, EDEKA Northern Bavaria-Saxony-Thuringia is at the vanguard of fair trading in milk from Germany. By providing information about the farming method used, seamless traceability of the product and a premium of 10 cents per litre for distribution to local agricultural enterprises, not only does "Fair Milk" create maximum transparency for customers; it also creates real added value for farmers and for the animals.



EIN HERZ FÜR ERZEUGER

Products sporting the **Ein Herz für Erzeuger** ("A heart for the grower") logo cost 10 cents more. Netto Marken-Discount guarantees its customers that 100 per cent of the 10-cent surcharge is verifiably passed on to the farmers: in 2019 alone, the initiative distributed around 2.9 m euros to support local farmers who not only produce food and secure jobs, but also take care of our environment and our countryside.



PARTNERSHIP ON AN EQUAL FOOTING



The EDEKA Group is an important and reliable partner for German agriculture and supports sustainable, fair and consumer-oriented food production. With their product ranges featuring regional produce, the independent EDEKA retailers have been a stable distribution channel for agricultural products for decades. Around 30 per cent of the goods sold at EDEKA stores are of local or regional origin, most of them from agricultural providers.

“From the region, for the region” is the word at EDEKA Sigmund in Sigmaringen. It is a philosophy that the entrepreneur **Bernd Sigmund** and his team have been following for 21 years, thanks to their close contact with local producers. Tomatoes, lettuce, button mushrooms, courgettes, apples and pears—everything comes from regional suppliers based within a radius of about 35 kilometres.



»DURING THE
LOCKDOWN WE WERE
ALWAYS ABLE TO
RELY ON THE REGIONAL
PRODUCE, BECAUSE
WE KEPT IN DIRECT
CONTACT WITH
THE SUPPLIERS.«

THOMAS KLINK, EDEKA MERCHANT

Honey from Augsburg, noodles made in Munich, real Bavarian “Brezen” (pretzels) from the nearby town of Karlsfeld—over the last two years EDEKA entrepreneur **Thomas Klink** has established a veritable network of local producers. The young merchant from Stadtbergen also presents these producers on his website: by introducing their operations, he arouses the curiosity of his customers.

Ludwig Boßler (on the right) maintains close contact with his regional suppliers, like the asparagus grower Hirsch, less than five kilometres from Boßler’s EDEKA store in Nauheim. During the pandemic, he also benefited from the short supply routes. “Our shelves were generally well stocked,” says Boßler.



HOME-MADE

A great deal of fresh produce is processed at EDEKA’s own facilities—usually using raw materials sourced within the region.

14
REGIONAL
MEAT-PROCESSING
PLANTS



15
BAKERY
OPERATIONS



2
WINERIES



2
MINERAL
SPRINGS



2
FRUIT JUICE
FILLING
OPERATIONS

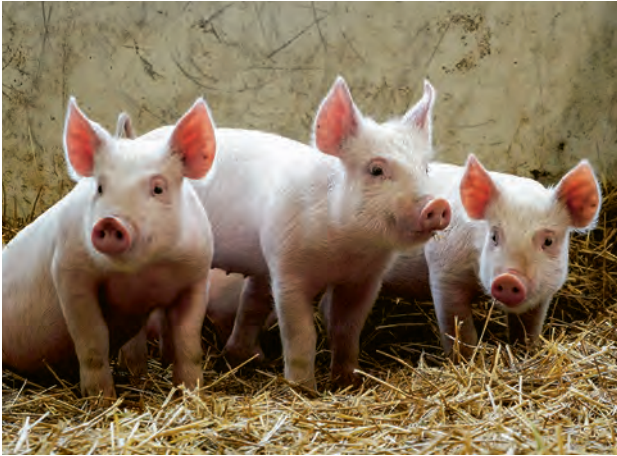


4
BANANA
RIPENING
FACILITIES



COMMITMENT TO ANIMAL WELFARE

The EDEKA Group has a long tradition of working towards improving the conditions under which farm animals are kept in Germany. The regional EDEKA meat-processing plants with their own brand programmes are one of the driving forces behind this trend. The EDEKA Group is a founding member of **Initiative Tierwohl** (animal welfare initiative) and paid about 190 m euros into the joint fund since its launch. This money helps farmers convert their stables to make them animal welfare-friendly. In 2020 the Group expanded its range of organically reared meat and sausages in particular, and continued to invest in its regional projects that are run in conjunction with the German Animal Welfare Association.



The “Bavarian straw pig” is kept in a species-appropriate manner on a bed of straw—with at least 40 per cent more lying area than required by law. Open barn fronts also provide fresh air and daylight during all seasons.

A MATTER OF STEWARDSHIP



Pork sold under the Hofglück brand has been awarded two out of two possible stars from the label “**Für Mehr Tierschutz**” (“For improved animal welfare”) of the German Animal Welfare Association, and it carries the highest rating for the form of animal husbandry. The animals have more space than required by law and also have an open paddock. They are fed exclusively genetically unmodified feed and European soya. Each farm is inspected unannounced at least twice a year.

TRANSPARENCY AT THE SERVICE COUNTER

In a ground-breaking move in the German food retail trade, EDEKA launched fTrace, a digital track & trace solution at the Group’s meat and fish counters. The innovative system lets customers find out about the origin of products they are buying directly at the counter, using a touchscreen. The goods can be traced back to their origin—to the place where the animals were reared and where they were slaughtered. The fTrace facility is already being used in about 300 EDEKA stores, and more than 100 suppliers of raw materials to the regional meat-processing facilities are included.

ORGANIC FOOD IS BOOMING

Organic products—just like products from within the region—were among the winners in consumer favour in the corona year 2020. According to the German Federation of the Organic Food Industry, sales of organic food rose to almost 15 bn euros, 20 per cent more than in the previous year. Many occasional buyers have now become habitual buyers of organic food.

For the EDEKA Group, organic products have been given high priority as part of a sustainable, responsible diet for many years. The approx. 3,600 independent EDEKA merchants offer a diverse range of organic products, consisting of branded articles, private label products and fresh produce from within the region. The private label EDEKA Bio alone currently comprises some 800 articles—and the numbers are going up.

»THE REGIONAL AND CO-OPERATIVE STRUCTURE OF EDEKA MAKES FOR A GOOD FIT WITH DEMETER.«

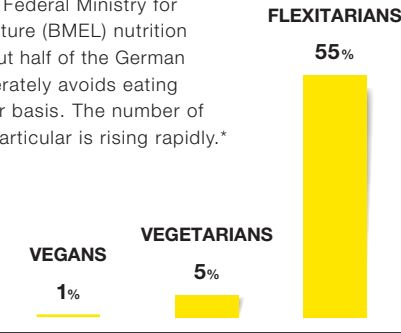
JOHANNES KAMPS-BENDER, DEMETER BOARD MEMBER

EDEKA is stocking an increasing number of products made in accordance with the standards of organic farming associations. In the year 2020 it was the range of Demeter products in particular that was expanded significantly. Demeter stands for “biodynamic agriculture”—a circular model of an economy in which humans, animals, plants and soil all interact with each other. EDEKA's Fruchtkontor (fruit department) alone currently handles over 70 fruit and vegetable products grown by Demeter farmers. In the summer of 2020, EDEKA launched an organic baby food range with about 30 articles carrying the label “biodynamic—certified by Demeter” in the stores for the first time.



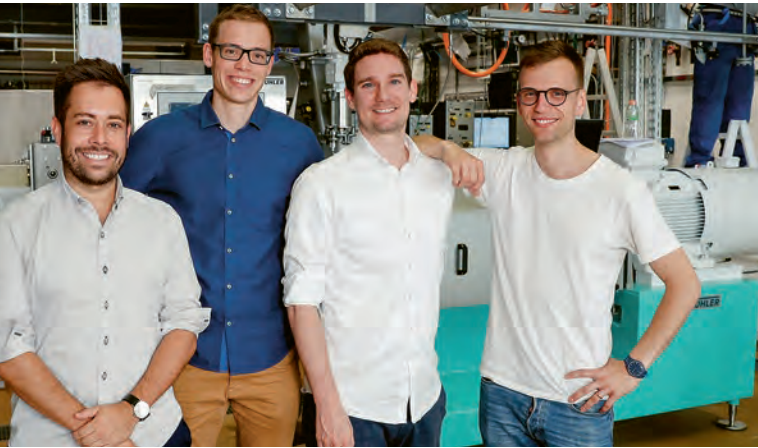
NO MEAT TODAY FOR A CHANGE

According to the Federal Ministry for Food and Agriculture (BMEL) nutrition report 2020, about half of the German population deliberately avoids eating meat on a regular basis. The number of “flexitarians” in particular is rising rapidly.*



VEGANISM—MORE THAN JUST A FAD

Cold cuts, cream cheese and fruity desserts—all of these products are now also available purely plant-based, free from any animal ingredients. The range of vegetarian and vegan products is currently developing like no other in the food industry. Not only is the steadily growing range so impressive; no other product range came up with so many new products in 2020—the increase in sales has also been remarkable. Not only do vegans and vegetarians prefer meat or milk substitutes; the so-called “flexitarians” also enjoy a vegan diet, and for them it does not mean any sacrifices. The EDEKA Group is continually expanding its range of vegan products—and adding additional value. For example, the approximately 30 articles in the private label EDEKA Bio+ Vegan appeared in a fresh, modern brand identity in the year 2020. And in the spring of 2021, a brand new umbrella concept is being launched to showcase the diversity of vegan products available at EDEKA—VeHappy.



EDEKA Southwest brought a particularly innovative manufacturer on board: the Swiss start-up Planted. The start-up's four founders are developing meat alternatives based on pea protein. These are then packaged at the regional EDEKA processing facility, into consumer-ready sizes suitable for self-service refrigerated shelves.

*Source: Nutrition Report published by the Federal Ministry for Food and Agriculture (BMEL)



In 2020, one of the focal points in the merchandise business was the revision and upgrade of the drug store product range. Not least with an eye to the new BUDNI specialist drug store concept, the EDEKA Group significantly developed the cosmetics and hygiene product range. The emphasis was on finding more sustainable and environmentally friendly solutions, as well as the targeted promotion of product innovations. Because it is not only with food that more and more customers are paying close attention to where products come from and what they contain. With wellness and bodycare products, too, the “inherent values” are becoming increasingly important.

Natural cosmetics products in particular are a rapidly growing market. With its exclusive BLÜTE-ZEIT brand, the EDEKA Group is offering natural bodycare products containing organic ingredients with fragrances derived from plants. BLÜTE-ZEIT bears the “Natruue” label, which means the products conform to one of the most stringent standards for natural cosmetics products. The seal attests that BLÜTE-ZEIT only uses natural, organically produced ingredients such as vegetable oils or washing substances and does not use artificial fragrances and preservatives or any petroleum products such as paraffin.

NATURE DESERVES RESPEKT

The exclusive RESPEKT brand with its holistic, sustainable concept also taps the pulse of the age. All its products come in pouches or bottles made from 100-per-cent recycled plastic, thus preserving natural resources. With its holistic focus on sustainability, the environmentally friendly product range offers a contemporary alternative to conventional laundry detergents and cleaning products.

ONE-STOP SHOPPING FOR YOUNG PARENTS

With elkos Babyglück, EDEKA is deliberately targeting young families. The private label offers a wide range of products for babies and toddlers, and it relies on high-quality ingredients and does not use fragrances or other cosmetic additives. The same consumer group is also the focus of the baby food line of about 30 products in Demeter quality that was launched in 2020. “Wir verstehen uns, Baby” (more or less: “We see eye to eye”)—was the slogan for the campaign promoting this new product range.



New first-time parents face many new challenges on a daily basis. Tips and tricks can be gleaned in the new EDEKA magazine BABYLIEBE.



RESPEKT is the new EDEKA brand for environmentally friendly laundry and cleaning products.



A LOGISTICAL MASTERPIECE

During the first lockdown in the spring of 2020, customer demand rose rapidly. This posed major challenges—not only for the people working at the stores, but also for the EDEKA Group’s 51 logistics centres.

Maintaining a steady supply of goods for their daily needs to the population was more vital than ever. People were counting on them—fuelled by this thought, the employees in the central and regional warehouses worked numerous extra shifts to keep the flow of urgently needed goods going. At the same time, top priority had to be given to hygiene and protective measures for all employees.

A dense network of warehouse locations maintained the supply to 11,112 stores throughout Germany.



EXTREMELY POSITIVE WORK ETHIC

During the first wave, 25 per cent more goods compared to previous years had to be moved at times. Despite the additional workload, staff morale remained high throughout the year. Even during the second wave—right in the middle of the pre-Christmas season—the entire workforce showed an extremely high level of motivation. “One indicator for this is the rate of sick leave,” said Karsten Ecker, the manager of the logistics division at EDEKA Northern Bavaria-Saxony-Thuringia. “It is even lower than it was the previous year.”



Frank Sammann
Operations manager Logistics
Wiefelstede, EDEKA Minden-Hanover.

LOOKING AHEAD TO THE FUTURE

2020 was a year of substantial expansion, not only in terms of warehouse capacity utilisation and staffing levels. EDEKA Logistics also continued on its steady course of investing in environmentally friendly technologies. An example: in October, the EDEKA-Zentrale, EDEKA North and Netto Marken-Discount, together with seven other partner companies in Schleswig-Holstein, launched a pilot project for using CO₂-neutral hydrogen fuel in the transportation of heavy loads. The common objective is to establish the CO₂-neutral fuel in the heavy-duty logistics segment, and to actively promote the German government’s goal of reducing transport emissions by at least 40 per cent by 2030 compared to 1990 levels.

ULTRA FRESHNESS ON THE MOVE

As gastronomic services were forced to close across the board due to corona, the demand for fresh convenience products from retailers increased dramatically. With its freshness platform, the EDEKA Group operates an efficient logistics hub for groceries with a short shelf life.

Since the platform’s launch in 2017, the extent of the product range and of sales have almost doubled. In 2020, for example about 1,200 different articles were sold—especially fruit and vegetables, as well as delicatessen and refrigerated convenience products. At the locations in Hanover and Möckmühl near Heilbronn, orders are compiled individually for each store and then delivered via the appropriate wholesale warehouse. Today more than 5,100 stores regularly order the ultra-fresh goods up to six times a week—and they generally receive their deliveries the next day.

»WE DREW CLEAR CONCLUSIONS
FROM THE FIRST WAVE AND
KNEW WHICH PRODUCTS WE HAD
TO KEEP IN STOCK.«

FRANK SAMMANN,
HEAD OF LOGISTICS OPERATIONS



IN SUPPORT OF SPORTS

The postponement of the Olympic Games has put athletes like **PAMELA DUTKIEWICZ-EMMERICH** in a difficult position. All the more important to know that a partner like EDEKA is at their side.

» EDEKA IS AN AUTHENTIC AND EVER-
PRESENT PARTNER—YOU CAN SENSE
THE CONNECTION THAT EDEKA HAS
WITH SPORTS AND WITH THE ATHLETES.
OLIVER CZAJKOWSKI IS PART OF
MY #ROADTOTOKYO.«

PAMELA DUTKIEWICZ-EMMERICH



Healthy attitude
For Pamela Dutkiewicz-Emmerich having
a balanced diet is a personal concern.



DREAM TEAMS

Balanced nutrition and exercise belong together, as part of a sensible lifestyle. This is why the EDEKA Group has made a commitment to promote sports. As a partner of the Olympic Team Germany, the Group supports athletes on their way to the Olympic Games and, together with them, provides impulses for a balanced diet. Last year's highlight was meant to be the Olympic Games in Tokyo. Preparations were already in full swing when the official decision was made in March to postpone the Olympics until the year 2021. It was a worst-case scenario for athletes like the sprint hurdler Pamela Dutkiewicz-Emmerich.

Like many Team D athletes, the Vice European Champion was able to depend on the commitment and support from EDEKA merchants, regions and the Zentrale. For the merchant Oliver Czajkowski from Mülheim on the Ruhr, there was never any doubt that the co-operation with Pamela Dutkiewicz-Emmerich would be extended, despite the postponement of the Olympic Games. The multiple-businesses entrepreneur and the world class athlete share not only their deep roots in the Ruhr region, but also a love for balanced nutrition and physical activity. A real dream team. As an ambassador for sports and for a sensible lifestyle, Pamela Dutkiewicz-Emmerich is closely connected to the activities of the merchant—be it on promotional flyers, in social media or on the website.

PROGRAMME OF CULINARY ALTERNATIVES

Even though much did change during the past year, together with athletes like Pamela Dutkiewicz-Emmerich and a wealth of creative ideas, EDEKA still managed to turn the corona year 2020 into a year under the banner of Olympic sports. On 24 July 2020, the “EDEKA Küchen-Spiele” (“Kitchen Games”) took off under the motto “Dabeisein ist lecker” (“To be part of it is yummy”): with the official Team D bowl for the “Mini Opening Ceremony at Home” and a total of four sushi challenges, the athletes and the EDEKA customers were able to bring a touch of the Olympic spirit into their homes and prepare for Tokyo, at least at the culinary level.

In addition to video clips that achieved a broad reach, a total of four athletes were visited by influencers, including Pamela Dutkiewicz-Emmerich, who together with Roxi Strasser completed one of the four sushi challenges and one training unit. The response was outstanding: about 50 athletes took part in the campaign and with more than 400 contributions they ensured a successful warm-up to the 2021 Olympic Games. The EDEKA merchant Czajkowski also worked on the campaign, making sure his customers could get involved in the Kitchen Games—at the POS, through flyers and through his social media channels.

The action was not limited to cooking either: a joint training session was also part of the programme: Pamela Dutkiewicz-Emmerich and Roxi Strasser.



27^M

Gross reach only
via social media

Getting through the year in sporting fashion

The collaboration between athletes and influencers provided entertainment for fans and customers alike and achieved a broad reach.



HEART-FELT TOGETHERNESS

It turns out that a major sporting event is not actually needed in order to breathe life into the Team Germany partnership. In the year 2020 alone, twelve new co-operation ventures between athletes and “their” region or with their “home store” were entered into. Yet the EDEKA Group proved to be a dependable partner not only at the local and regional level. With the continuation of the national co-operative venture between EDEKA and Netto Marken-Discount and the Olympia Team Germany, the EDEKA Group is still providing support to the athletes on their #roadtotokyo and #roadtobeijing in 2021.

SPORTS
CO-OPERATIVE
VENTURES



20

local partnerships,
with twelve
new ones in the
year 2020

100
ATHLETES
WITH WHOM EDEKA HAS
ALREADY BEEN WORKING

STRONG PARTNERS

Accepting responsibility—for the EDEKA Group as a food retailer, that also means ensuring that food can be produced in a more environmentally friendly manner. To this end, EDEKA has been working together with a strong partner for more than a decade: the World Wide Fund For Nature (WWF). The co-operative venture, which was originally formed in 2009 with the aim of protecting the oceans, was further developed in 2012 and has evolved into a long-term, strategic partnership. Since 2015 Netto Marken-Discount has also been participating in the partnership, and in 2020 BUDNI joined in as well. The gravity of the coronavirus pandemic has only strengthened the importance of such a partnership.



How water protection works has also been demonstrated in practice in two field projects. In the Spanish citrus project run by EDEKA and the WWF, the twelve project farms saved around 1.4 bn litres of water in the year 2019. And in Colombia and Ecuador, water used for washing bananas is treated and reused several times in the plants. The farms are establishing protection zones for ecosystems like rivers and forests. They serve to protect the surrounding ecosystems and at the same time provide a habitat for the animal and plant species living there—to date they already cover an area of more than 80 hectares.

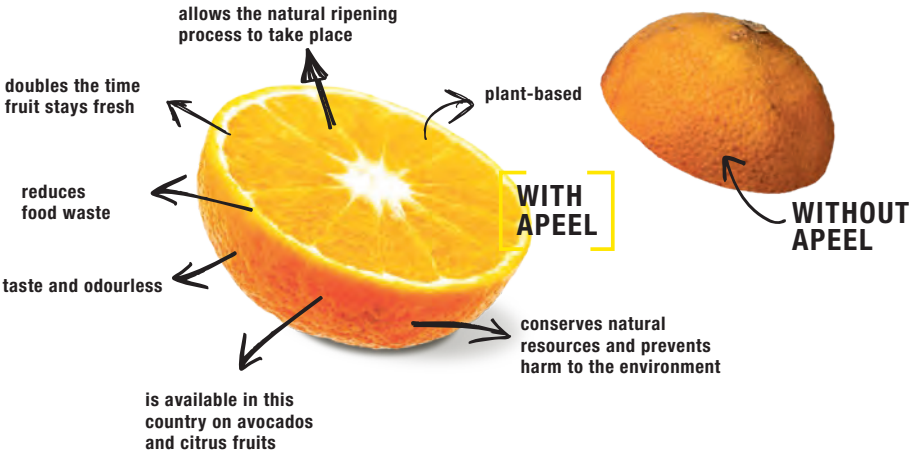
Such ambitious projects show the high—and still growing—demands that the partners place on themselves. In order to embark on a fundamentally new course for the sustainable use and conservation of natural resources, it is at the same time also of central importance to inform consumers transparently, and to invite them along with us on this journey.

THE MESSAGE IS CLEAR:

If we all pull together, we can achieve a great deal. Under the umbrella concept “Wir & Jetzt” (“We & Now”), EDEKA has been gathering projects and products that contribute to ecological and social objectives since 2020. To increase transparency for customers even further, EDEKA and the WWF are aligning their efforts with four overarching goals. They illustrate how the co-operative venture contributes to the UN’s Sustainable Development Goals and addresses four global challenges: preservation of biodiversity, climate protection, resource conservation and the protection of freshwater resources.



»STAR APEEL«



THE ENTIRE VALUE-ADDING CHAIN BENEFITS!



Starting with the grower: he can harvest avocados closer to the optimal point of ripeness, for example. Because Apeel extends the

SHELF LIFE.

Responsibility in the product range is a task that extends to the entire supply chain. This also includes the appreciative handling of products in the supermarkets. The EDEKA Group has been fighting food waste for many years—for example as a key partner for food banks and soup kitchens. And, since late 2019, also by introducing a real innovation that helps extend the shelf life of fruit and vegetables: Apeel. Partnering with the US-based company Apeel, in mid-2020 EDEKA and Netto Marken-Discount introduced avocados and

citrus fruits with a protective coating made of the innovative, plant-based substance Apeel at their stores. Apeel is made using materials derived from plants, and it is capable of slowing down dehydration and oxidation—two of the main factors causing the spoilage of fresh fruit and vegetables. A three-month pilot trial at the beginning of 2020 already showed that the amount of avocados that had to be discarded at the store was reduced by 50 per cent thanks to Apeel, and at the same time customer demand in the participating stores rose significantly.



THREE QUESTIONS FOR APEEL FOUNDER JAMES ROGERS

Can you feel, smell or taste Apeel?

JAMES ROGERS The small amount of coating is so thin that you can’t see or feel it—or taste it, for that matter. It is invisible and does not change its colour either; instead, it preserves the natural, ripe colour of each fruit for a longer period of time.

How much longer do the fruit keep?

JAMES ROGERS Most of the fruit have a shelf life that is twice as long—starting from the time when Apeel is applied to the fruit.

Does Apeel replace the layer of wax—in citrus fruit, for example?

JAMES ROGERS That’s right. This is why we can envisage a future where consumers will no longer buy waxed fruit, but can opt for fruit that is treated in a sustainable manner and can be kept longer.

»WE USE FOODSTUFFS
TO EXTEND THE
SHELF LIFE OF FOOD.«

JAMES ROGERS,
CEO APEEL

HERE'S TO GOOD NEIGHBOURLY SPIRIT!

The year 2020 has shown us what matters during difficult times, namely: solidarity and cohesion. Responsible action has long been a key adopted principle in the EDEKA Group. This is because the economic success as Germany's largest food retailer is largely based on stable and functioning societal structures.

The EDEKA Group consists of many local and regional communities and networks, at the centre of which the local EDEKA store can often be found. Many people maintain some kind of relationship with EDEKA—they include merchants, employees, customers, local suppliers and farmers, business partners, community associations, schools and kindergartens. And everywhere EDEKA is making a valuable contribution towards coexistence and cohesion—this was the case especially in the year 2020.

The coronavirus pandemic has brought the relevance of neighbourhoods and their social function back into focus. In many areas, neighbourhoods were the starting point for communities setting out to tackle the challenges. The pragmatism evident in the organisation

of neighbourhood assistance, for example in the form of offering shopping services for older people or at-risk groups, has strengthened local cohesion and shown that neighbourly co-operation contributes to the well-being and quality of life of each individual.

HOW NEIGHBOURLY ARE GERMAN PEOPLE?

The great importance of neighbourliness in this country is highlighted by the "EDEKA Neighbourhood Barometer 2020—This is how neighbourly German people are": a representative study published by the EDEKA Group for the first time in 2020. It provides concrete insights into the state of neighbourhoods in Germany, and it shows where neighbourly attitudes are most pronounced. The neighbourhood rankings 2020 also show in which federal states and cities neighbourly relations are particularly well developed, and whether differences between urban and rural areas exist.

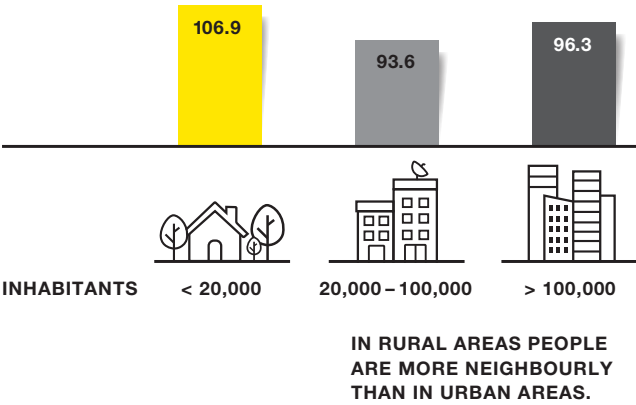
4 OF 10
OF PEOPLE SURVEYED
MEET THEIR
NEIGHBOURS WHILE
SHOPPING



IN THEIR NEIGHBOURHOOD
THEY FEEL ...



URBAN-RURAL COMPARISON*:



FEDERAL STATES TOP 6*:

RANK		
1.	BRANDENBURG	(107.7)
2.	LOWER SAXONY	(106.9)
3.	HAMBURG	(103.1)
4.	BERLIN	(102.8)
5.	BADEN-WÜRTTEMBERG	(102.4)
6.	HESSE	(101.5)

CITIES TOP 6*:

RANK		
1.	FRANKFURT/MAIN	(111.0)
2.	STUTTGART	(110.6)
3.	MUNICH	(106.8)
4.	DRESDEN	(103.6)
5.	HAMBURG	(103.1)
6.	BERLIN	(102.8)

NEIGHBOURS MEET ...



1. ON THE STREET
2. AT HOME
3. WHILE SHOPPING

* The information shown here is based on two online surveys commissioned by EDEKA Zentrale. The total of 3,019 people surveyed defines the norm of 100. All values above 100 indicate that the city/state in question has a higher index—all values below 100 indicate that it has a correspondingly lower index.

VIBRANT NEIGHBOURHOODS ARE MORE IMPORTANT THAN EVER

Neighbourly spirit is something that has always been close to the heart of EDEKA and its locally rooted merchants. This is why EDEKA already featured as a partner during "Neighbours' Day"—an initiative of the nebenan.de foundation—for the third time. Due to the prevailing circumstances, this year saw many small-scale relief measures instead of major festivities, and these were acknowledged and rewarded with shopping vouchers worth a total of 10,000 euros. The German Neighbourhood Prize was also awarded again in 2020—if only in a virtual space—and for the first time the judging panel included representatives from the EDEKA Group. The prize is awarded to exemplary neighbourhood projects that contribute to a vibrant neighbourhood.



Mastering the pandemic together

Especially during the first lockdown in the spring of 2020, many EDEKA merchants and their teams provided active neighbourly assistance and repeatedly came up with pragmatic solutions to allow people in high-risk groups in particular to continue to do their shopping as easily and conveniently as possible.

OVERCOMING OBSTACLES

How to resist the pandemic through passion and commitment has also been shown by the scholarship programme GEH DEINEN WEG (FIND YOUR OWN WAY) last year. In the summer of 2020, many talented young people with a migrant background were again accepted into this programme, which is sponsored by the foundation Deutschlandstiftung Integration. Even if many face-to-face encounters had to be cancelled due to corona, ways could always be found to allow an exchange to take place. Workshops on practical subjects were staged in the form of interactive webinars, and the mentors—merchants and executive personnel in the EDEKA Group—could be reached at any time by their protégés: via video conference, by email, or quite traditionally, by telephone.

**MORE THAN
1,000
RECIPIENTS OF SCHOLARSHIPS
WERE ACCEPTED FOR
THE TWO-YEAR SCHOLARSHIP
PROGRAMME SINCE 2012**



Together with the participants, trainers from the vocational training department of the EDEKA Zentrale analysed the strategies and skills the scholarship recipients displayed in handling challenging situations. With the aid of an interactive kit that the young talents had previously been sent by mail, they were able to carry out practical exercises from their own homes.

THE GOAL: CREATING PROSPECTS

Many independent retailers as well as the regional wholesale operations and the EDEKA Zentrale continue to work towards the professional and social integration of refugees. Five refugees have since found permanent employment at the nah & gut store Wettengel in Berlin-Neukölln.



Kerstin Wettengel
in conversation with her staff.

How did the induction work out on a day-to-day basis?
KERSTIN WETTENGEL The diversity of our team proved to be a big advantage: we have members of staff with German, Arab, Turkish and Eastern European roots, and they were able to provide their new colleagues with intensive support. Naturally there were some problems now and then. But they are all open, friendly and willing to learn.

What did you learn yourself?
KERSTIN WETTENGEL Quite a lot, actually: for example, we now have halal-certified products in our range—and it is a success. And our many customers with an Arabic background now have someone to talk to who understands their language, their taste preferences and their mentality.

So your assessment would be entirely positive?
KERSTIN WETTENGEL By engaging in a multicultural work environment, we are making use of all the available synergies. Because it is not only the individuals with a migration background who benefit, but we merchants, the team and our customers do, too.

A STATEMENT IN FAVOUR OF TOLERANCE AND DIVERSITY

EDEKA stands for diversity—in the product range as well as among the staff, and even in relation to our social commitment. That's why the 2020 Christmas campaign "Lasst uns froh & bunter sein!" ("Let us be happy and colourful!") promoted a clear message: as colourful as our country, as colourful and diverse the pleasures and the enjoyment—especially during the festive season. Be it at the store, on television screens or in the social web—this attitude is reflected on all the channels: diversity is important for EDEKA, both in culinary and cultural matters. The Christmas promotion—centred around a TV commercial, the online movie "Nachbarn" ("Neighbours"), and three interview clips with the member of the German Olympic Team Marie-Laurence Jungfleisch, the actress Vildan Cirpan and with the GEH DEINEN WEG scholarship recipient Mohammad Mouaz Narbi—showed, sometimes in a humorous, sometimes poignant way, how cultural diversity can enrich our lives.



Mohammad Mouaz Narbi,
EDEKA apprentice and
GEH DEINEN WEG scholarship recipient
The subject of food has often helped me get to know other people. I prepared food at home, and then invited people to share my meal. In this way I was able to build friendships.



The right twist
The online movie "Nachbarn" ("Neighbours") shows Christmas as a festive occasion for communal get-togethers.

HOPE IS BLOSSOMING

For the EDEKA Foundation, too, it was virtually impossible to do any planning during the year 2020: schools were sometimes closed, and there was no comprehensive care in kindergartens. During periods of lockdown and social distancing, any ray of hope for children was welcome. This is why the foundation continued its “Gemüsebeete für Kids” (“Vegetable Beds for Kids”) project even during corona—of course with all due care and in strict compliance with distancing and hygiene measures.

One example among many: at the Rathauspatzen daycare centre in Hamburg’s Harburg district, the raised bed was set up before the first children from the emergency care centre arrived. EDEKA sponsor Patin Valbone Scharfenberg also rolled up her sleeves to make sure that everything would be ready on time. The kids were allowed to sow, plant and water the seeds themselves. By looking after the vegetable beds themselves, the 90 children were able to learn that vegetables do not grow in supermarkets, and that a lot of care is needed before the harvest ends up on their plates.



Tireless dedication
Thanks to the sound introduction on how to care for vegetable beds, the young plants were in the best of hands right from the start.

SUSTAINABLE NUTRITIONAL COMPETENCE EXPERTISE

EDEKA merchants like Valbone Scharfenberg assume an essential role in the projects. As sponsors they support the planting and tending of the vegetable beds, especially during periods of absence. They bring their knowledge to the daycare centres and provide them with products, and they also contribute directly to the success of the projects through their local commitment and food expertise.



Valbone Scharfenberg,
Centre manager
in Hamburg
“It’s great that we are continuing with the project, and in doing so not only have brought joy to the children, but also managed to impart some knowledge about nutrition and healthy eating.”

**185,000
CHILDREN**
WERE REACHED BY THE
EDEKA FOUNDATION
WITH ITS PROJECTS IN 2020, DESPITE CORONA

ON AN EQUAL FOOTING

TRAINING FOR TOMORROW, TODAY

The EDEKA Group has been one of Germany’s leading employers and providers of vocational training for many years. Every year around 7,000 school leavers enter their first year of vocational training; in total more than 19,000 youngsters completed their training with EDEKA or Netto Marken-Discount in 2020.

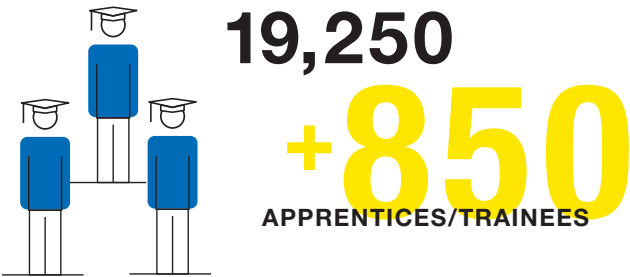
With the AzubiGuide (Apprentices & Trainees Guide), EDEKA last year developed one of the key tools for the training for tomorrow: a digital platform where all the important information relating to vocational training can be found in one place, made available on smartphones in compact, paperless form. It represents an important step on the road to full digitalisation. The tool was trialled and further developed over a one-year period in a pilot project with the participation of 300 commercial apprentices from a total of 50 operations in the EDEKA Group. The app not only makes it easier for the training staff to conduct the training, it also makes it more attractive for the apprentices and trainees.



Lame “advertising raps” are a thing of the past: the EDEKA vocation training campaign featuring the rapper Luciano was one of the social media hits in 2020.



Jens Savelsberg from Düsseldorf,
one of the top-ranking nominees in
the EDEKA Mega Azubi Award 2020.



THE NUMBER OF APPRENTICES AND TRAINEES WORKING
IN THE EDEKA GROUP ROSE AGAIN IN 2020.

CONTACT

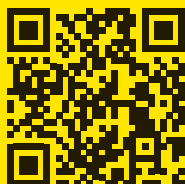
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