

BREA KING

NEW

COMPANY REPORT 2021
EDEKA GROUP

GROU ND



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The year 2021 was once again overshadowed by the effects of the global coronavirus pandemic. The food retail sector has fulfilled its responsibility to provide the people in Germany with food, maintaining both great variety and high quality, at attractive prices throughout and everywhere – all while implementing the greatest possible health and safety protection measures. With its workforce of over 400,000 employees, the EDEKA Group cooperative made its contribution by working closely with suppliers and the agricultural sector, but also thanks to the great support of all customers. Yet the past year was also characterised by a spirit of optimism. There has been great movement within the EDEKA Group. What stood out was that people were game to try out something new. They explored new pathways, set themselves new goals, and so opened up new opportunities for themselves and for the EDEKA

Group. In this exceptional situation, it has proved worthwhile to depart from the traditional paths and to rely on personal responsibility – in matters large and small.

**NEW
GROUND
BROKEN**

3,500 

INDEPENDENT RETAILERS

With their medium-sized operations, they constitute the foundations of the EDEKA Group. They stand for entrepreneurship, for being rooted in their own region, and for proximity to their customers.

103 

START-UP ENTREPRENEURS

are embarking on something new, in the true sense of the word, and in 2021 they took the leap into an independent existence by opening their own store.

62.7 bn 

TOTAL TURNOVER

Thanks to a strong performance at all levels, the EDEKA Group again recorded a significant increase in turnover in 2021. The leading drivers for growth were once again the independent retailers.

EDEKA GROUP PROFILE

In the second coronavirus year, the EDEKA Group again expanded its position and continued on its course for growth. Overall, the increase in turnover was 2.9 per cent compared to the already strong previous year. Its sales floor space and the number of employees and trainees again increased significantly.

Net turnover, in bn euros	2020	2021	%
Independent retailers	33.1	34.7	+4.7
Directly managed retail trade	9.1	9.0	-1.0
Netto Marken-Discount	14.6	14.7	+0.9
Bakery retail trade	0.5	0.4	-6.0*
Grocery retail trade	57.3	58.8	+2.7
C+C EDEKA Food Service	2.5	2.5	-1.2
Third-party turnover E-commerce	1.2	1.4	+19.4
EDEKA GROUP TOTAL	61.0	62.7	+2.9

* Special, non-recurring effects due to structural change

11,114 

STORES

ensured a high-quality local supply of fresh, varied, regional goods all over Germany, including

- **5,710** independent retail stores
- **1,123** managed retail stores
- **4,281** Netto Marken-Discount stores

11.83 m 

SALES FLOOR SPACE

afforded the customers of EDEKA, Netto Marken-Discount and Marktkauf an appealing shopping experience.

19,870 

APPRENTICES/TRAINEES

began their career with one of Germany's leading providers of vocational training last year – 612 more than in the previous year.

404,900 

EMPLOYEES

Proved themselves once again to be the backbone of the EDEKA Group in 2021 and delivered an outstanding performance. A further 2,900 jobs were created yet again at the Group's various enterprises in the course of the year.

BREAKING NEW GROUND, GROWING SUSTAINABLY.

Our credo: seize opportunities, exploit potential, focus on our strengths – and think about things in new ways. In this way we were able to continue to grow the EDEKA Group again in the second year of the pandemic. The biggest contribution came once again from the independent retailers.



MARKUS MOSA

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

Mr Mosa, how did EDEKA do in 2021? Lockdowns, restrictions on personal interactions and the dynamics of the situation relating to infections did not exactly make for the easiest of conditions.

MARKUS MOSA The coronavirus pandemic keeps presenting all market participants with ever new challenges. But being a well-functioning team, EDEKA again mastered these challenges in the best possible way in 2021. Our thanks go to all employees at all of our Group's trading levels for what has once again been an outstanding

**» EDEKA'S INDEPENDENT
RETAILERS ARE FAR
AHEAD OF THE PACK. THEY
ARE IMPRESSIVE WITH
THEIR SHEER VARIETY
AND THEIR PROXIMITY
TO CUSTOMERS.«**

MARKUS MOSA

performance. What matters now is that we look ahead! EDEKA continues to shine thanks to offering the best service, best prices and top quality. We focus on proximity to the customer, superior product ranges, variety and gastronomic offerings that are optimally suited to each location. We owe our leading competitive position not only to these aspects, however, but also to the fact that all sectors of the EDEKA Group are such wellsprings of new ideas that they allow us to better ourselves continually.

The EDEKA Group generated around 63 billion euros in total turnover. The independent EDEKA retailers contributed a respectable 35 billion euros towards this total. In doing so, they continue to be the drivers for our growth.

MARKUS MOSA That's right! All Edeka people are seizing their opportunities. In 2021 we again increased our turnover and gained additional market share. It is true that the independent retailers of our Group are far ahead of the pack. And not only during times like this pandemic: owner-operated supermarkets and hypermarkets stand out thanks to their variety and the proximity to customers. Moreover, by having the discounter with the greatest product range on offer, as we do with Netto Marken-Discount, we are very well-positioned in the competition.

A number of Real locations also came out on top ...

MARKUS MOSA As part of this acquisition, there is the possibility of around 80 large locations being added, and with that a turnover volume of around 2 billion euros. The new large sales floor spaces will be integrated by our regional companies and positioned with a forward-looking strategy. This will allow us to create secure jobs for the local store teams and open up new prospects for our independent retailers. We also want to invite our industry partners to join us in this growth story.

Mr Scholvin, in recent years the EDEKA Group invested billions of euros every year in the German locations. Will this continue?

MARTIN SCHOLVIN Yes. The takeover and modernisation of the Real locations are clear evidence of this. The income we generate does not go to anonymous investors, but back into the business. For the current year, we are planning an investment volume of 2.8 billion euros. We are investing in our stores, in our employees, and in our product ranges ... as well as in an evermore efficient logistics network. And, of course, in digitalisation and new areas for growth.

Let us stay on the subject of money. How is EDEKA countering inflation?

MARKUS MOSA Faced with rising consumer prices, many people today are forced to watch every cent. It is all the more dangerous when some industrial groups try to ride this wave, in order to maximise →

WE ARE BETTER THAN WE HAVE EVER BEEN!



UWE KOHLER

Chairman of the Board of Trustees of
EDEKA ZENTRALE Handels Stiftung

Sustainable, efficient and based on solidarity – our cooperative model is more appropriate for the times we live in than ever! It supports the decarbonisation we are pursuing as well as the digital transformation within our Group. During the coronavirus pandemic, our "cooperative" principle is proving to be successful. After all, it continues to promote entrepreneurial livelihoods. Across all levels of our operations, it forms the vital foundation for cohesion and for a presence in competition that is characterised by commitment. And it ensures identification with the EDEKA brand and the values it stands for. And this is exactly what matters most.

Dependable, bursting with new ideas and focused – the EDEKA Group is more vigorous and agile than it has ever been! The people in Germany put their trust in us as their reliable local supplier. At the same time, we continually create new shopping experiences for them. Together with our international partners, we form a strong counterweight to the market power of the globally operating food industry. We are on the right track. And we independent retailers are backing this course. This is how it was in 2021. This is how it is today. And this is how it will be in the future.

Authentic, local and sustainable – we are more firmly rooted in the regions, the districts and the communities of this country than we have ever been. In this endeavour, the EDEKA retailers represent our biggest competitive edge. They make better use of their entrepreneurial freedom than centrally controlled conglomerates would ever be able to. In doing so, they act responsibly and in the interest of the common good of their neighbourhoods. I want to thank them, their teams and all the employees of our Group for their tireless commitment once again! Thank you all for taking on the challenges in what continues to be an extremely dynamic competitive environment.

Yours sincerely, Uwe Kohler

Independent EDEKA retailer and Chairman of the Trustees of
EDEKA ZENTRALE Handels Stiftung

their returns with excessive price demands. As retailers, we are the advocates for consumers and must keep an eye on proportionality. Food must not be allowed to become a luxury good!

Does this mean that disputes with the industry are unavoidable?

MARKUS MOSA Last year, we were confronted with demands for price increases from almost all the dominant suppliers. We know from our annual meetings that many of these demands were in no way justifiable because of rising costs. We do not and could not accept this approach! We will continue to pay close scrutiny to each and every demand. After all, it is also in the branded goods industry's own interest if their price gap in relation to private labels remains proportionate.



MARTIN SCHOLVIN

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

»THE INCOME WE GENERATE GOES BACK INTO THE BUSINESS. IN 2022 ALONE, WE ARE INVESTING ALMOST 3 BILLION EUROS IN GERMANY.«

MARTIN SCHOLVIN


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NEW
LOCATIONS

When it comes to negotiating with globally active companies, is a national retailer like EDEKA not at a disadvantage?

MARKUS MOSA This is precisely why we need strong partners. Our new purchasing organisation, Epic Partners, makes it possible for us, together with five strong European trading companies, to negotiate on an almost equal footing with multinational industrial groups. In this way, we can resist unfair industry practices and at the same time promote competition between producers and manufacturers.

Does the Everest purchasing agency, which EDEKA has launched with Picnic, also serve this purpose?

MARKUS MOSA Everest is an important step towards strengthening our position in negotiations with the industry. Our aim is to represent the interests of our independent retailers and customers more effectively. Both Epic Partners and Everest are necessary responses to competition that enable us to market our trading services more appropriately.

The word "growth" has already come up several times. E-commerce has also been one of the winners during the pandemic.

MARKUS MOSA It will remain strong even once the pandemic is behind us. However, from my point of view, it is mainly the non-food segment that is in the spotlight here. The market for food delivery services in Germany is overheated and not every business model is suitable for the mass market. We are also making targeted investments in this market segment – but definitely not at the expense of our core business. In Picnic, we have gained a specialist that brings the greatest potential for profitable growth with its modern "milkman" principle.



CLAAS MEINEKE

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

Mr Meineke, how do you reconcile the digital transformation with EDEKA's core activity, the bricks-and-mortar retail business?

CLAAS MEINEKE By promoting ideas that increase the level of digitalisation in our distribution, and by constantly reviewing how we do things. The expertise on how to produce the best solutions is shared at all levels, and this allows these solutions to succeed. Relevant examples are the mobile customer loyalty programmes like the EDEKA app, and the new checkout technologies. In this way, we are enhancing the holistic brand experience for our customers step by step.

What are the areas where EDEKA can see additional growth potential?

CLAAS MEINEKE Our speciality store concepts, which we are developing further, represents one of them. This includes BUDNI, a cult brand and a popular drug store specialist. In the pick & carry beverages segment, trinkgut is showing dynamic development, and its expansion into additional regions is on the agenda. In our organic food format NATURKIND, we are pursuing a dual strategy: in addition to the stand-alone locations, we have also developed a new shop-in-shop module for our retailers.

Mr Scholvin, ambitious targets call for outstanding teams – especially during a pandemic.

MARTIN SCHOLVIN Over the last two years, our employees have been subjected to enormously high levels of stress and risk – and they still are. It is our duty to do everything we can to protect their health – for example, with vaccination campaigns at all levels of the Group. On behalf of EDEKA HQ, I am delighted that we won the Corporate Health Award in the "Trade" division for the

»WE WANT THE CUSTOMERS TO JOIN US ON OUR JOURNEY AND GENERATE ENTHUSIASM FOR SUSTAINABLE CONSUMPTION – ON ALL CHANNELS.«

CLAAS MEINEKE

third time. Where possible, we promote flexible models, establish new forms of communication, and we are increasing the level of digitisation in our work environment. And we are continuing to grow. In 2021 we created about 2,900 new jobs in the EDEKA Group as a whole.

EDEKA has a great responsibility not only for its employees, but also for the environment. How is the Group living up to this responsibility?

MARKUS MOSA The EDEKA Group is an active participant in society, and this is something we want to be very clear about. For us as a cooperative enterprise, taking responsibility is part of our entrepreneurial DNA. We think in terms of generations, rather than quarterly periods. For many years now, we have been living a shared commitment to preserving our natural resources and to protecting the climate and biodiversity. The manner in which we live up to our responsibility is evident in the design of our product range, our locations and our infrastructure. And just as important to us is the contribution we make to social cohesion.

The year 2022 is being overshadowed by the war in Ukraine. What does this mean for the EDEKA Group?

MARKUS MOSA The attack on Ukraine has caused us all great consternation – and I speak here also on behalf of our independent retailers and of all of the Group's employees. It is important now to help the people in Ukraine and all those who have had to flee and those who are yet to flee, and to do so quickly and unbureaucratically. This is what we are primarily focusing on. The medium- and long-term consequences this war on European soil will have for all of us is as yet unforeseeable.

01

GROWTH

THE EDEKA GROUP, WITH ITS COOPERATIVE STRUCTURE BASED ON ITS OWN RESPONSIBILITY, AGAIN LAID DOWN IMPORTANT MARKERS FOR THE FUTURE IN 2021.



ACTING DEPENDABLY

In 2021, the EDEKA Group again made an important contribution towards maintaining the security of supply in Germany. And this in a world that is getting out of kilter in new and unexpected ways year after year. Behind us lie two years of the coronavirus pandemic, bringing with it extensive restrictions on our social and economic life, most recently accompanied by inflation, resulting in a dramatic increase in the cost of living. And we are currently troubled about the war in Ukraine, the consequences of which are still unforeseeable for Europe and Germany. The food sector, already designated as “critical infrastructure” in the first year of the coronavirus pandemic, has proved to be an anchor of stability in maintaining a comprehensive supply to the people. It is both a privilege and a big responsibility.

ROBUST FULL PRODUCT RANGE

According to the Society for Consumer Research (Gesellschaft für Konsumforschung, GfK), supermarkets and hypermarkets in particular, with their full product ranges, secured further market share over the course of the year. They recorded an increase in turnover of 4.3 per cent compared to the already strong previous year.

While the discount segment managed to stabilise towards the end of the year, it still had to contend with a minus of just under 1 per cent for the year as a whole. With a decline in turnover of almost three percent, the specialist retail segment was hit even harder. E-commerce, in contrast, remained a winner during the pandemic, increasing its turnover by 19 per cent – albeit still at a low level overall.

SAFETY FIRST

The EDEKA Group's overall sales floor space increased by 11.83 million square metres in 2021, at a total of 11,114 retail outlets. The cooperative Group also proved very attractive as an employer brand. To be able to meet the growing demand from consumers, the number of employees throughout the Group was increased to a total of 404,900. The number of apprentices and trainees at EDEKA and Netto Marken-Discount also rose again.

The increased need for personnel, but also the heightened requirements in day-to-day business, called for a considerable amount of investment in 2021. Last but not least, there was a strong focus on offering all employees a safe working environment at all times – through design adaptations at the stores as well as through the implementation of the frequently changing coronavirus regulations issued by the authorities, such as the obligation to wear a mask, minimum distancing, maximum number of visitors allowed inside the shop, and comprehensive hygiene measures. Wherever possible and practicable, digitalised working environments and alternative forms of communication were also created and further developed.

29.7%

**MARKET SHARE 2021
EDEKA GROUP**

OPPORTUNITIES CONSISTENTLY EXPLOITED

Owner-operated supermarkets boasting a full product range remained the model for success in the German food retail sector in 2021. The stores operated by EDEKA retailers shone thanks to the variety of regional products, outstanding fresh produce expertise and attractive prices. Their greatest competitive advantage: the approximately 3,500 independent retailers create unique customer proximity by flexibly and individually tailoring their store concepts to the needs of the local population. Today more than ever, this personal approach finds its reward in the trust of the consumers.

Last year the retailers were once again the drivers for growth for the entire EDEKA Group. Their contribution was a decisive factor in EDEKA's success in further boosting its strong market position in a growing overall market. Their cumulative turnover volume rose by 4.7 per cent, to a total of 34.7 billion euros. Even on a like-for-like basis in terms of sales floor space, the increase was a respectable 1.8 per cent.

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NEW
START-UP ENTREPRENEURS

Despite the continuing difficult conditions due to the pandemic, many start-up entrepreneurs once again decided to take the leap into an independent existence together with EDEKA last year. Throughout the Group, some 103 young retailers set out to build their own future with EDEKA stores of their own – a marked increase from the previous year.

SUCCESSFUL MANAGEMENT

The approximately 1,120 stores directly managed by the seven regional wholesale operations generated a total of 9 billion euros in turnover in 2021. While this figure represents a slight decline, it is due to the fact that the EDEKA Group is constantly entrusting stores to independent EDEKA retailers, in accordance with the Group's cooperative philosophy. Adjusted for changes in floor space, the directly managed segment recorded an increase in turnover of 1.4 per cent. On a like-for-like basis in terms of sales floor space, turnover achieved by the Group's regionally managed Marktkauf locations rose by as much as 2.8 per cent. With the distinctive breadth and depth of their product range, the large-scale self-service department stores are the perfect embodiment of the one-stop shopping principle that has grown in importance during the pandemic. At Marktkauf, consumers can stock up on groceries and a wide variety of near- and non-food items in a single store.

The Cash+Carry business, in contrast, continued to be hard hit by the consequences of the coronavirus pandemic. Yet given the loss of numerous large commercial customers from the hotel, gastronomy and communal catering sectors, the EDEKA Food Service closed the year in a relatively stable position, recording only a minor decline in turnover of 1.2 per cent.

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STORES
PRIVATISED
IN 2021

SHOPPING MEETS TASTE EXPERIENCE

Holistic shopping and taste experiences are the hallmark of EDEKA retail locations. They play a key role in generating customer loyalty and yield valuable unique selling points. This experience also includes gastronomic concepts perfectly integrated into the ambience of the individual local stores. Dropping in at the sushi bar or a pit stop at the burger place are the ideal culinary complement to the shopping experience at EDEKA. Through targeted partnerships and modular in-house developments in the gastronomy segment, EDEKA continues to generate added value – for store operators and customers alike.

A good example of how such offerings can enrich the experience of visiting a store is EDEKA Stolzenberger, near Aschaffenburg. Here the owners have created the concept "EDEKA Store Kitchen" – specially tailored to suit their local customer structure. The Store Kitchen modules are gastronomy components that can be used flexibly and set up at various places within the store. And there is something to suit everyone's taste: from pizza and pasta to soups and snacks to hot dogs and burgers.



STANDSTILL? THAT'S NOT MY THING!

Start-up entrepreneur Susanne Krüger-Koch took on every challenge in order to turn her dream into reality. In her early 30s and coming to the food retail business from a different background, she quickly made up her mind: "This is it! But I want to have my own store." She opened her store, EDEKA Krüger in Binz on Rügen only recently – while she was still completing her advanced training as a retail business executive.

Opening a store while still completing your business executive training is quite a challenge, isn't it?

It is, but I do enjoy taking on challenges. The offer to open this store was a once-in-a-lifetime opportunity to make my dream come true. The building was a new construction project, which meant I could implement my own ideas and have fun with the design. Right from the start, I configured the product range based on my own ideas – plenty of regionality, and products that are only available in my store. It was not easy to complete the training in parallel with the store opening. But it also gave me one advantage: I was able to talk with other Edeka people and establish valuable contacts.

Why was the Rügen location such a good match for you?

Well, there are two reasons for this: on the one hand, the idea of a seasonal business has always appealed to me. I think it's great if it gets really busy in the summer, and then the staff can enjoy a more quiet time during the winter. The other reason is that Binz on Rügen is part of Mecklenburg-Western Pomerania. I have always felt strongly that "Meck-Pomm" is where I was born, and I am not going to leave!

Not only you have taken the leap into the unknown, but so have your employees. How did you manage to find a sufficient number of members for your team?

We did a lot of advertising and received quite a number of job applications. I think the idea of trying something new simply appeals to people. At least that is how it is for me: to try out something new is just great!

NEW
GROUND
BROKEN
EN





PERFORMANCE AWARDS

Supermarket of the Year:

EDEKA Honsel in Dorsten (North Rhine-Westphalia),
Hieber's Frische Center in
Müllheim (Baden-Württemberg)

Employees of the Year:

Sabrina Gieck / Hieber's Frische Center in
Lörrach (Baden-Württemberg),
Ronny Hage / E center Warnow Park in
Rostock (Mecklenburg-Western Pomerania)

Store of the Year:

EDEKA Brehm in Berlin

Goldener Zuckerhut:

EDEKA Niemerszein in Hamburg,
Förderpreis (encouragement award):
Maximilian Kohler / EDEKA Kohler in
Lahr (Baden-Württemberg)

FIT TO COMPETE

The positive development in the full-range business was spurred on by the takeover of the former Real stores. By the end of 2021, the regional EDEKA wholesalers have successfully integrated the first 16 self-service department stores into their distribution networks and set up these new large, competitive shopping spaces. As a result, the EDEKA Group has already gained an additional sales floor space of around 100,000 square metres. A high double-digit number of additional stores are to follow in the coming years. This development had been preceded by complex negotiations and a comprehensive examination by the Federal Cartel Office.

Since the summer of 2021, the conversion of the former Real locations has gained momentum with targeted conversion measures. In the individual EDEKA regions, the stores have been and still are being reopened under the new EDEKA or Marktkauf flag.

100,000
SQUARE METRES
SALES FLOOR SPACE



CREATIVE NEW BEGINNING

What meant the end of an era for some people turned out to be a great opportunity for the siblings Boris and Kristina Massak. In the course of the Real takeover, the family was able to acquire two locations for itself and privatise them in the process. These EDEKA retailers from the Northern Bavaria-Saxony-Thuringia region opened the first of these two locations in August 2021: the E center Massak in Bamberg. Relying on the guiding principle "Exceptional instead of ordinary" as their philosophy, they gave free rein to their creativity in the redesign. In a renovation phase taking only three months, all they left standing were the walls and roof, and then they gave the once somewhat dusty store an unmistakable new look full of character. The retailer family manage a total of nine EDEKA stores and two BUDNI stores. Even so, this new takeover presented a major challenge. After all, the other locations only have sales floor spaces of between 1,000 and 2,100 square metres. The new location in Bamberg covers 2,950 square metres, and the one in Kronach 3,945 square metres – both therefore quite a bit larger than what the entrepreneurs were used to. "We have always been game to take on new risks," said the boss Werner Massak, the father of Boris and Kristina. "We believe in the location and we have therefore put a lot of effort into the design – so that we can offer customers a real shopping experience," added Kristina Massak. "As retailers we always have to endeavour something new, otherwise we'll just stagnate. And let's face it: unless you try, you will never know if you could have succeeded!"

**NEW
GROUND
BROKEN**



SOLIDARITY AS A PRINCIPLE

In July 2021, storms and immense floods devastated entire regions and towns in south-west Germany. The EDEKA Group saw it as their obligation to provide assistance to the victims of the catastrophic floods. Many people lost their lives, and entire livelihoods were destroyed from one day to the next. Some of our retailers, their employees and their families were also personally affected. In the hour of greatest need, the cooperative principle of solidarity really came into its own.

UNBUREAUCRATIC ASSISTANCE

A great many EDEKA retailers rendered assistance to the local people right from the beginning. They appeared on-site and launched individual activities, supplying those affected as well as the many volunteer emergency workers with what was most needed, namely water, food, care and hygiene products. The EDEKA regions of Rhine-Ruhr, Southwest and Southern Bavaria were affected by the floods to varying degrees. In the worst-hit disaster region of the Eifel and neighbouring areas, emergency aid was provided rapidly and without undue red tape.

SUCCESSFUL FUNDRAISING CAMPAIGNS

The cooperative solidarity was evident not only in the numerous relief and fundraising campaigns conducted at the local level. The EDEKA regions and EDEKA HQ also assisted the people affected through donations of money and goods. In addition, the EDEKA Foundation set up a national bank account for donations.



From power blackouts to complete write-offs: the floods affected many EDEKA stores to varying degrees.

LOOKING TO THE FUTURE

The discount market in Germany is characterised by a high market density and a growing shortage of attractive locations. In addition to expanding its network by opening new branches, Netto Marken-Discount has therefore continued to invest massively in upgrading existing spaces – through modernisation, conversions and extensions. In doing so, the focus was not only on creating a new visual appearance, but also on the use of innovative technologies and energy-saving effects through more sustainable construction.



3.4 m

SQUARE METRES OF
SALES FLOOR
SPACE



81,800
EMPLOYEES

114
NEW
LOCATIONS

INNOVATION REWARDED

Investment in the future of the existing branch network that is already paying off: last year Netto Marken-Discount received the reta Award not once, but twice. Firstly, the recognition technology for fruit and vegetables used in several Bavarian branches, with which unpackaged apples, pears, cucumbers, etc. are automatically recognised by the cash register system, was honoured with an award. The second distinction was for the Pick & Go technology that was implemented at the end of 2021 for the first time at an existing store in Munich, making Netto Marken-Discount the first discount retailer worldwide to offer its customers autonomous shopping checkout procedures or scanning processes.



For the technical installations, construction concepts resulting in greater sustainability, such as timber construction, concrete core activation and roof-mounted photovoltaic systems, are also being implemented.

ENVIRONMENTALLY FRIENDLY CONCEPTS

In building and operating its stores, Netto Marken-Discount again put greater emphasis on the preservation of resources and on sustainability in 2021. The use of high-quality and durable materials as well as of low-pollutant or pollutant-free building materials is ensured by means of the Netto Building Specification, which has been certified to conform to the DGNB Gold Standard. The successful use of efficient refrigeration technology and of waste heat utilisation has also proved itself over many years already. In addition, the increased deployment of photovoltaic systems, battery-charging infrastructure and heat pump systems will continue to be pursued with vigour. Almost all branch stores have now been fitted with state-of-the-art LED lighting technology, which further reduces emissions.

At the end of 2021, Netto Marken-Discount opened its first branch – in Regis-Breitingen in Saxony – where both the supporting structure and the walls are made of glued laminated timber. This construction method – carried out with the participation of CEV Handelsimmobilien GmbH – offers multiple advantages: firstly, the thermal insulation is more efficient thanks to the use of timber, and secondly, the overall construction time is reduced compared with conventional construction methods.

TRANSPARENCY AND ORIENTATION

Climate and resource protection were also the primary focus behind the introduction of the Sustainability Compass, with which Netto Marken-Discount has been making it easier for its customers to do their shopping in a more environmentally friendly manner since June 2021. Four different symbols provide guidance, showing whether an article meets the environmental criteria “for greater biodiversity”, “for greater resource protection”, “for better protection of freshwater resources” or “for enhanced climate protection”. The Sustainability Compass was initially introduced in the nationwide store network for around 200 drug store items and will be gradually extended to other product areas.

A further step towards achieving greater transparency was the introduction of the Nutri-Score. Labelling by means of a coloured letter scale shows consumers the nutritional profile of a product at a glance, making it possible to do quick comparisons.

Dann geh doch zum Impfen!

Netto
Marken-Discount

Netto Marken-Discount also participated in the vaccination campaigns conducted by the German trade and German industry community, and thus contributed to health protection and the containment of the coronavirus pandemic. The branding, modified to act as an appeal to get vaccinated, received a particularly great deal of attention.

FOCUSED ON SUCCESS

The EDEKA Group is investing in the further development of its speciality store concepts – with the clear goal of opening up new growth potentials for the independent retailers. Be it trinkgut, BUDNI or NATURKIND – thanks to the depth of their product range and with their advisory skills, they succeed in retaining their customers and continuously increasing their turnover.



A prime example is the beverages speciality retail concept trinkgut, which offers its customers in North Rhine-Westphalia an extensive range of beverages at fair prices. In addition to a wide variety of beers and spirits, non-alcoholic refreshments, wine and sparkling wine, numerous regional specialities and international brands invite customers to discover new taste experiences. With its approximately 260 stores, three warehouse locations and its comprehensive product range of over 4,000 products, the company achieved 830 million euros in turnover in 2021. This again made trinkgut Germany's beverage retail chain with the highest turnover last year.



SUSTAINED DRIVE FOR EXPANSION

Over recent years trinkgut has benefited from a particularly dynamic impetus by transferring numerous stores to independent retailers. This move has boosted the level of service and advisory skills further still. The next step in the development strategy is to expand into additional regions in Germany. EDEKA Southwest and EDEKA Southern Bavaria have already adopted the successful concept and will be launching new trinkgut locations in the current year.

GROUNDBREAKING CONCEPT

In the second year of the pandemic, BUDNI again performed strongly, increasing turnover by 2 per cent compared with the already successful previous year. The specialist drug store retailer with more than 190 branches and around 1,950 employees expanded in 2021 with new branches in Hamburg, Berlin and southern Germany. The branch concept developed in 2021, which is even more tailored specifically to appeal to immediate neighbourhoods, has already been implemented at a first set of locations.



BIOTOPES FOR ORGANIC PRODUCTS

The NATURKIND brand stands for purely organic, and for enjoyment with appreciative awareness. Here you will find exclusively organic food of an extraordinary variety and quality, food from regional producers and from well-known organic brands or cultivation associations such as Bioland and Demeter. In 2021, a new distribution format was developed and implemented: the NATURKIND Worlds.

Being specially designated, separate areas within a supermarket or consumer market, they appeal to new customers leaning towards organic food choices and make it easier for them to find specialised organic brands as well as many other high-quality organic products from all product ranges. In addition to new independent stores, numerous NATURKIND Worlds will be launched in various regions within Germany in 2022.

Working together with the nature conservation organisation WWF, BUDNI has been setting new benchmarks in 2021 in reducing its ecological footprint and making a strong showing in support of greater sustainability. Leading this effort is the "BUDNI Wegweiser" ("BUDNI Guide") rolled out in all their branch stores in 2021 – and there was also the information on the proper waste disposal on all own-brand packaging, as well as the "green score" app function, which is intended to help consumers optimise their own shopping baskets in terms of sustainability.

I JUST LOVE SOMETHING NEW!

Denisa Büto has been an EDEKA retailer for almost 20 years. In November 2021, not only did she open her fifth store, the 3,000-square-metre E center Büto in Jena; she also integrated the very first NATURKIND World into that store. With this shop-in-shop concept, her customers can now experience even more organic products of the highest quality.

Ms Büto, you opened the very first NATURKIND World – without having the benefit of previous experiences gained by other retailers. Did you feel daunted?

Definitely! But in our industry one must not stagnate. During my career as a retailer, I have never been afraid of taking on any pilot projects. I have developed a kind of sixth sense about whether something is going to work or not. In this case, I just knew: this is a perfect fit!

Has the NATURKIND World in your store had a good start?

And how! Our customers have responded to the NATURKIND World very positively indeed. Even people who are less inclined towards organic products are finding inspiration at the NATURKIND World. That said, Jena is a university town, which means there is strong demand for organic products.

On a floor space of 200 square metres, your customers can now find organic products they would otherwise only get from specialist retailers. What are some of these products?

There are a number of products in the areas of fruit and vegetables, breads and rolls, dry goods, as well as meats and cheeses. And then there's frozen food, beverages, and of course everything for wine lovers. All of these stand out from the familiar product range of the EDEKA Bio private label. We still carry other organic products, and also in other sections of the store.

Do you have the impression that there is a trend towards organic products?

In the last five years especially, there has been a steep rise. Demand for organic and sustainable products is growing. Vegan/vegetarian is also more sought after than ever. In my view, the driving force behind this trend are precisely those people who have developed an awareness for a healthy and sustainable diet and lifestyle.

**NEW
GROUND
BROKEN**

CONTINUING ON TRACK FOR SUCCESS

During the second year of the coronavirus pandemic, the rapid growth in e-commerce continued. The EDEKA partner Picnic also benefited from the increased readiness on the part of many consumers to order food online. The dynamic delivery service built on the successful model of the modern milkman continued to focus on expansion and also broke new ground with regard to the product range and to environmental protection.

In 2021, Picnic was able to build on the huge success story in Germany's western regions. By the end of the year, the Netherlands-based company had expanded its services to a total of 51 cities and towns. The number of customers more than doubled, from 150,000 in December 2020 to over 320,000 in December 2021, and in terms of customer satisfaction they also topped the competition.

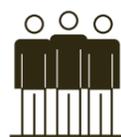


Picnic makes it personal: the delivery staff take the customers' shopping right to the front door – with a smile. The service is built on a sophisticated, technologically innovative system, however: from the ordering app to robot-operated fulfilment centres to highly efficient delivery vehicles whose arrival can be tracked by mobile phone.



DELIVERIES IN

51
CITIES AND TOWNS
IN 2021



3,000
EMPLOYEES



320,000
HOUSEHOLDS ARE
REGULAR CUSTOMERS



THE MODERN MILKMAN

Picnic appeals to a broad spectrum of the population thanks to low prices and free delivery services. The concept of fixed milkman delivery routes works well not only in large cities and conurbations, but also in small and medium-sized towns where a particularly large number of families live. Another reason for Picnic's success is their full product range of more than 10,000 items, which clearly sets it apart from their competitors' offerings.

FOCUSING ON WHAT CUSTOMERS WANT

From fresh milk to breakfast products, canned food and snacks, juices and vegetable drinks to household and hygiene products – it is not only the private-label product range that is extensive. Picnic gains a particular advantage through the partnership with the regional EDEKA wholesale operations. It allows the company to respond quickly to individual customer wishes and to develop its product range further step by step.

SUSTAINABILITY PAYS DIVIDENDS

Picnic takes responsibility for protecting the environment: with over 800 state-of-the-art electrically powered vans, the company already operates one of the biggest e-fleets in North Rhine-Westphalia. The fixed milkman

routes mean that deliveries can be consolidated, and this eliminates unnecessary journeys. Last-mile city hubs also help avoid heavy truck traffic in city centres. All of these measures result in a significant reduction in emissions.



In 2021, Picnic was nominated for the Federal Ministry of Agriculture's "Zu Gut für die Tonne!" ("Too good for the rubbish bin!") award for the company's Zero Waste project. This project ensures that Picnic procures from its suppliers only the quantities that have been ordered by its customers. Zero Waste thus contributes toward the elimination of food waste along the entire supply chain.

STRONG BOTH LOCALLY AND REGIONALLY

In addition to its strategic partnership with Picnic, EDEKA continues to support competing concepts and ideas. For example, retailers who want to offer their customers a local delivery service can make use of OLIVIA, a digital infrastructure for online shops. Other regional concepts are also being pursued: EDEKA Southwest, for example, has been cooperating exclusively with the start-up Bringman since 2021, and has since acquired 10 per cent of the company's stock.

THINKING AND ACTING ACROSS BORDERS

As a cooperative enterprise, EDEKA has its roots in Germany. This makes targeted cooperation with trading partners in other European countries all the more important, whether through joint ventures or alliances. With the founding of Everest and Epic Partners in the past two years, the EDEKA Group has positioned itself internationally with a promising future – these ventures act as two new strategic spearheads in the competition.

ASCENDING TO NEW PEAKS IN THE MERCHANDISE BUSINESS

EDEKA and Picnic established the Everest joint venture based in Amsterdam as far back as the year 2020. Its main role is to conduct annual meetings with international brand owners, the procurement of fruit and vegetables, and the continued development of the private-label business. Cooperation between EDEKA and the fast-growing e-commerce specialist Picnic allows both partners to benefit from their respective strengths. Rising sales volumes help optimise cost structures – not least for the benefit of the independent retailers in the EDEKA Group.

The pooling of resources makes Everest an attractive partner for the food industry: interested manufacturers have the opportunity to market their products through additional sales channels, to win new customers and to open up new markets and stores in Europe. As early as the spring of 2021, we saw initial results and the great speed with which Everest went about its work: in the form of Picnic's new private-label range, which includes around 1,000 products that are attractive both in terms of quality and price.

International variety:
the private labels of Picnic. All the relevant product information is printed on the back – in no fewer than four languages.



NEGOTATING ON AN EQUAL FOOTING

It was not only the immediate impact of the coronavirus pandemic that affected the retail sector and consumer behaviour in 2021. Rising inflation also contributed to the worsening situation. In the eurozone the inflation rate had reached an all-time high by the end of the year. In December 2021 alone, consumer prices rose by 5.3 per cent year-on-year – the largest increase since 1992.

One avoidable price driver is the market power of the global branded goods industry. In 2021 the EDEKA Group alone was confronted with demands for price increases in the upper-high triple-digit million range. Closer scrutiny showed that in many cases the decisive factor was not increased costs, but rather the expected returns for investors.

This reveals a fundamental problem: the multinational suppliers of the consumer goods industry not only have control over the supply; their power is also becoming increasingly concentrated. This lopsidedness in the balance of power is directly reflected in procurement negotiations with national retailers. Unfair industry practices – such as unjustified demands for price increases, supply restrictions or supply stops – mean that brand manufacturers are not only able to consolidate their profit margins; they can even extend them continually. Between 2016 and 2020 alone, the top 50 brand manufacturers managed to further boost their average profit margin from 16.4 per cent to 18.7 per cent – for comparison, in the retail sector profit margins generally are in the lower single-digit percentage range.

In response to this imbalance, in August 2021 the EDEKA Group, together with leading European food retail companies, established the organisation Epic Partners. On board alongside EDEKA are the companies Migros (Switzerland), Jerónimo Martins (Portugal, Poland, Colombia), ICA (Sweden, Estonia, Latvia, Lithuania) and Picnic (the Netherlands, Germany). The operational headquarters is in Geneva, from where the joint activities are coordinated. The organisation's role is to negotiate and make contractual arrangements for complementary international services and marketing activities for all the partners involved.

The establishment of Epic Partners enables retailers to negotiate on a more or less level playing field with multinational manufacturers in the consumer goods industry. In doing so, Epic Partners also contributes to consumer well-being. After all, the market power of the industry leads to higher prices, reduced choice, less innovation and the crowding-out of SME manufacturers. The greater equilibrium in negotiating power created by the establishment of this retailers' organisation offsets these disadvantages and helps consumers throughout Europe buy quality food at affordable and appropriate prices.

THREE QUESTIONS TO GIANLUIGI FERRARI:



GENERAL MANAGER
EVEREST AND EPIC PARTNERS

What is the difference between Everest and Epic Partners?

In the same way that EDEKA pools the procurement for the seven regions at a national level, Everest takes the next step: as an international procurement office based in Amsterdam, where EDEKA and Picnic pool their purchasing power – all under the responsibility of EDEKA's national negotiating team. Epic Partners, by contrast, replaces the former AgeCore alliance and negotiates "on top" conditions in Geneva, that is, supplementary international services and distribution activities.

Who are the six new Epic partners?

They are highly motivated and rapidly growing market leaders in their own countries – and for the first time also in Eastern Europe.

How do the EDEKA retailers benefit from this?

Everest and Epic Partners work on behalf of every region and every single independent retailer. The focus is not so much on driving the hardest bargain, but to represent the interests of EDEKA – and thus to safeguard the future of the Group and of all the retailers.

SOLIDARITY WITH UKRAINE

Russia's attack on Ukraine has shocked and appalled the EDEKA Group. The thoughts of EDEKA retailers and employees were, and are, with all the people that are directly affected by the acts of war and with all those who have had to, or are still being forced to, flee their homeland. It is an urgent concern for the EDEKA Group that these people be given quick and unbureaucratic assistance in the form of urgently needed products.



Top: On the road – food, beverages and hygiene products from all regions in Germany were brought to where they are needed.

Bottom: Flying the flag – EDEKA, Netto Marken-Discount and BUDNI also demonstrated solidarity with the people of Ukraine on social media.

IMMEDIATE ASSISTANCE BY TRUCK

From the very beginning, a team at EDEKA ZENTRALE has been in intensive exchange with the project team of Agritrade Ukraine, which had been commissioned by the Federal Ministry of Food and Agriculture (BMEL) to coordinate deliveries of food and in-kind donations to Ukraine. Because it was important to support the local population directly and to ensure that the goods reach the people. Within days of the start of the war, numerous trucks from the EDEKA wholesalers, Netto Marken-Discount and BUDNI were on their way to Poland and on to the border with Ukraine. They delivered about 380 tons of food and drugstore items in the first week of March alone. These were mainly urgently needed products such as canned food, bread, drinking water, baby food and hygiene products. Aid organisations picked up the goods from logistics hubs in Poland and distributed them directly to the people in Ukraine.

ON EVERY LEVEL

Many independent retailers and companies within the EDEKA Group have also launched their own initiatives at the regional and local level, in the form of separate aid and donation campaigns. In addition, the EDEKA Foundation set up a national bank account for donations. All donations go to various aid organisations and are used both for measures on the ground and for supporting refugees in Germany.



**THE KEY SUCCESS FACTORS IN 2021:
VARIETY ON THE SHELVES, A FAVOUR-
ABLE PRICE–PERFORMANCE RATIO,
AND PRODUCTS THAT OFFER ADDED
VALUE FOR THE ENVIRONMENT AND
FOR ANIMAL WELFARE.**



CONVERGENT GROWTH

More and more consumers are assigning priority to sustainability, environmental protection and social responsibility. When shopping for food, they proactively search for products that are of regional origin and are produced in the most environmentally compatible manner. This is why the more sustainable product ranges of the private-label and portfolio brands continued to grow across all product groups last year.

ONE STOP FOR VARIETY

Consumer expectations regarding sustainability and prices have become higher than they used to be. Responding to this trend, the EDEKA Group has restructured the product range of its private labels. More than ever, these labels now offer a broad and differentiated range that leaves nothing to be desired in all product categories. Together with strong brands and many freshly produced foods from the region, they offer an enormous variety. This has paid off especially during the coronavirus pandemic, as more and more consumers are attaching great importance to completing all their shopping at a one-stop shop.

AFFORDABILITY IS WELL RECEIVED

People have also become more sensitive to prices as a result of the pandemic. This allowed the EDEKA Group to ramp up the success of the GUT & GÜNSTIG private label accordingly. Not only was the design of the brand with the red corner revised; so was the product variety. In 2021, customers could again rely on the store to supply them with at least the quality of a leading brand, at the best price.



FOR PERFECT MOMENTS

International variety of products, in premium quality: with EDEKA GENUSSMOMENTE (PLEASURABLE MOMENTS), customers can also prepare delicious dishes at home. High-quality ingredients, region-specific recipes and special production processes make the year-round festive brand launched in the summer of 2021 something very special. The existing Länderlinien (product lines originating in individual states) were also combined under the new umbrella brand EDEKA Originals. Fresh EDEKA Weidemilch (pasture milk), awarded 2 stars by the German Animal Welfare Association, has already reached the highest of the Animal Husbandry Standards (Premium).



SCORING THANKS TO REGIONALITY

The approximately 3,500 EDEKA independent retailers are firmly rooted in their own regions. Not only are they employers and committed participants in their local communities; they are also reliable partners for the local farms. The owner-operated stores of the EDEKA Group have traditionally been the first ports of call for regional and local food. EDEKA shelves stock seasonal fruit and vegetables from the local region alongside eggs, dairy products, meats, cold cuts and sausages, bread and other bakery products, all sourced locally.



EXEMPLARY REGIONAL PROGRAMMES

The EDEKA Heimatliebe brand offers over 100 different articles produced under conventional and biodynamic agriculture. A modern product range, where the articles come from regions such as Brandenburg, Saxony-Anhalt, Lower Saxony, East Westphalia-Lippe, Hesse, Thuringia, Franconia, Bavaria and Saxony. Seasonal products, harvested ripe and supplied by local farmers, are very much en vogue. For good reason, because regional products have many advantages: for the environment, for the local economy and also in terms of pure enjoyment.

OUTSTANDING COOPERATION

The meat processing facility Fleischhof Rasting, a subsidiary of EDEKA Rhine-Ruhr, together with their partner Westfleisch, celebrated a very special kind of recognition in 2021: the partnership between the farmer-owned cooperative, the farmers and the meat plant, as well as the joint branded meat programme "BauernLiebe" ("Farmers' Love"), were awarded first place in the "Award for Partnership" at the Anuga food fair in October 2021.

WHAT HOME COUSINE TASTES LIKE

"Heimkommen – So schmeckt Zuhause" ("Coming home – what home cuisine tastes like" is the new cookery book published by EDEKA. Published in October 2021, the book serves up over 100 favourite recipes that taste best with fresh ingredients from the region, and it offers insights into EDEKA's collaboration with local producers.



IT DOESN'T GET ANY FRESHER

Regional vegetables such as snake cucumbers, Chinese cabbage or lettuce have been supplied by farmer Andreas Zwieselsberger from Engelsberg in Bavaria for a long time. Last year he added locally grown mini watermelons. Zwieselsberger scheduled the cultivation of his produce together with the EDEKA retailer Georg Scherer. Scherer orders these fruit, which are considered "exotic" in the Bavarian region, three times a week. The fruit and other vegetables are harvested as needed and washed by hand. Ten hours later, the water melons end up on the shelf. In this way, some 1,800 kilograms of the sweet fruit reach the EDEKA Scherer stores during the harvest season, grown exclusively for them by farmer Zwieselsberger.



**NEW
GROUND
BROKEN**

A MATTER OF ATTITUDE

The EDEKA Group has been campaigning for many years for improved animal welfare and greater transparency in the product range, and the Group is committed to achieving additional improvements in farm animal husbandry conditions in Germany. EDEKA is a founding member and the largest contributor to the Initiative Tierwohl (ITW), the market leader for organically and regionally produced products and, in particular with its regional branded meat programmes, is committed to the adoption of improved practices in animal husbandry for meat, sausage and milk.

DRIVER FOR CHANGE IN ANIMAL HUSBANDRY

In the course of the year 2021, EDEKA and Netto Marken-Discount achieved the complete elimination of the Animal Husbandry Standard 1 for fresh self-service pork and poultry products in their private labels. Likewise, the product range of frozen private-label poultry products was upgraded to Animal Husbandry Standard 2 or better. While some competitors in the retail sector focus primarily on making announcements, the EDEKA Group actually puts theory into practice and is continually increasing the incor-



All branded meat programmes are continuously being expanded and new programmes meeting at least Animal Husbandry Standard 3 are already under development.



poration of products meeting Animal Husbandry Standards 3 and 4 in its range. Thanks to its regional programmes in particular, EDEKA is a driver for this trend towards a change in attitude in Germany. Among the most important programmes resulting in improved animal welfare are Gutfleisch (Animal Husbandry Standards 2 and 3), BauernLiebe (3), Strohschwein and Strohuhn (3), Bauerngut Landleben (3), Hofglück (4), Natur pur (4) and EDEKA Bio (4).

MILK MAKES THE DIFFERENCE

EDEKA and Netto Marken-Discount are the first major food retailers to also commit to the conversion of its entire private-label drinking milk range to Animal Husbandry Standard 2 or higher in the course of the year 2022. Fresh EDEKA Weidemilch (pasture milk), awarded with 2 stars by the German Animal Welfare Association, has already reached the highest of the Animal Husbandry Standards (Premium).



NOT JUST “5D”, BUT “5R”!

When it comes to meat, sausages and milk, EDEKA has already been relying on products sourced in Germany for a long time. Today 99 per cent of all pork sold as private-label products in self-service and fresh food counters comes from Germany. In many areas EDEKA has already actively switched to 5D pork – that is, meat from animals that are born, raised, fattened, slaughtered and processed in Germany. With their branded meat programmes, the EDEKA wholesalers are going even further: not only do they focus on Germany as the country of origin; they are also actively promoting the sourcing of products in their own region (5R). The Group is also a pioneer when it comes to transparency and the traceability of meat and sausage – and that includes transparency at the service counters. To this end, EDEKA is using the fTRACE solution: a QR code lets customers trace the origin of every single cut of meat.



PARTNERS FOR AGRICULTURE

The increasing demand for regional products shows that Germany needs a sustainable agricultural sector. The EDEKA Group undertook enormous efforts in 2021 to support local agriculture and help it become more visible in the market. The EDEKA Group has long been an important, dependable partner for local producers. Around

30 per cent of the goods in EDEKA stores are sourced from local and regional suppliers. At the local level, the various retailers often have links to as many as 80 local providers. The regional EDEKA wholesalers with their own brand programmes also make a significant contribution towards ensuring availability of products from local and regional producers through EDEKA stores. With contracts often extending over several years or purchase guarantees, they give producers of meat, dairy products, or fruit and vegetables planning security and long-term sales opportunities.



LEADING IN ORGANIC PRODUCTS

Last year the EDEKA Group continued to expand its range of organic products. Under its EDEKA Bio private label alone, EDEKA now carries around 430 items, and counting; added to that are many other branded products that bear the EU organic label or meet even higher standards. Be it fruit and vegetables, breads, meats or cheeses – all organic food products sold by EDEKA have one thing in common: if the label says “Bio” (“organic”), it means it contains an all-natural product. Preferred regional producers use natural resources sparingly, pay greater attention to animal welfare and refrain from using synthetic chemical pesticides or mineral nitrogen fertilisers in cultivation.

After the total turnover for organic food in Germany had already grown by more than 22 per cent in 2020, it increased again by more than 5 per cent last year, according to a survey conducted by Statista. Organic goods, especially fruit and vegetables, eggs and dairy products, have long been part of a store’s standard offerings. The reasons given by consumers for the increased demand for organic products are first and foremost regional origin, that is supporting producers within the region (93 per cent), and animal welfare and healthy nutrition (92 per cent each).



When it comes to animal products, too, a growing segment of the population values ecologically sound production methods. EDEKA is responding to this trend by consistently expanding the range of organically produced meat and sausages in its private labels. Every individual step in the production process requires appropriate certification – from the rearing and fattening of the animals to the quality of the feed, right through to the finished product. Moreover, all organic meat products meet the premium level of the four-stage Animal Husbandry Standards system. That means: more space, more physical exercise, a more stimulating environment.

91%
OF PEOPLE
SURVEYED BUY
ORGANIC PRODUCTS
AT FULL-RANGE STORES

NUMBER 1 FOR ORGANIC FOOD

In terms of turnover, the EDEKA Group was the market leader for organic products in 2021. In some of the regional wholesale operations, such as EDEKA South-west, organic goods reached a double-digit share of total wholesale turnover – with a rising trend. Since many EDEKA retailers also carry additional locally sourced organic products, their contribution to the total retail-level turnover could be even higher. EDEKA has already been cooperating with Alnatura for over five years. Last year, around 480 items were available in the organic brand’s dry, fresh, frozen food and baby ranges sold at EDEKA.

The EDEKA Group is also working ever more closely with organic farming associations that require significantly higher criteria than those of the EU standard. Since 2020, EDEKA has been continuously expanding the range of biodynamically produced Demeter products – both in the regional range of fruit and vegetables and in baby food products sold nationwide. Also gaining in importance in the product range of EDEKA and Netto Marken-Discount are products carrying the Bioland seal. They also go far beyond the current statutory standards and prioritise regional and seasonal production as well as a circular economy.

NEW ORGANIC PORTFOLIO BRAND

The NATURKIND brand stands for purely organic, and for enjoyment with appreciative awareness. At NATURKIND stores you will find exclusively organic food of an extraordinary variety and quality, like food from regional producers and from well-known organic brands or cultivation associations such as Demeter and Bioland. As an organic competence centre within the EDEKA Group, the brand sees itself as a bridge builder between organic farmers, growers’ associations, processors, retailers and customers, and as a brand it

reflects the requirements of the organic sector through many years of experience and market knowledge. It is this competence that characterises the product range of the new specialist organic brand NATURKIND, which is being introduced in the EDEKA Group this year. In April 2022, the brand started out with an initial set of about 25 articles in different merchandise categories. Many of their products bear additional sustainability certification such as Fairtrade, and the WWF Panda is also featured on numerous NATURKIND articles.



STEPPING OUT OF THE SHADOWS

The secret has long been out: the deliberate decision not to consume animal products such as dairy or meat has become entirely normal for many customers. The number of vegans among us is growing steadily. A study on nutrition showed that while this segment of the population amounted to just 80,000 people in 2008, by 2021 they had already reached 1.13 million. There is also likely to be an even much bigger share of people who continue to consume animal products but who deliberately avoid doing so with increasing frequency.

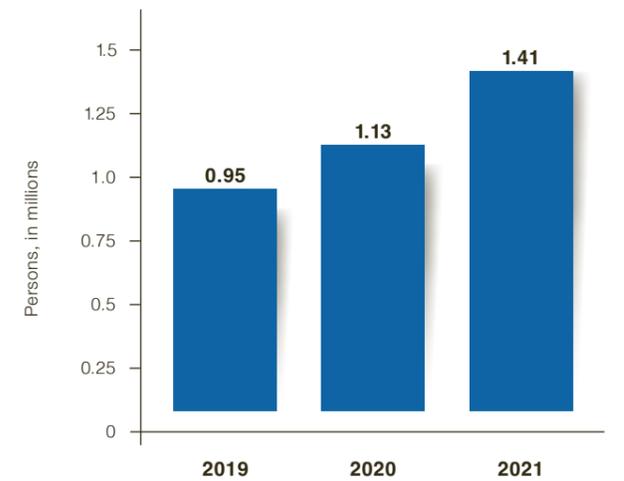
THE PLANT-BASED SEGMENT – IT IS GROWING!

Vegan products are booming, because they are of interest not only to vegans and vegetarians. There is a growing number of flexitarians who are also trying out alternatives and accordingly have high demands. For this reason, the EDEKA Group broadened its product range in this growth market last year: by introducing the vegan brand vehappy. Regardless of whether you are vegan, vegetarian, flexitarian or just want to cook for your vegan grandchildren: the product line of purely plant-based ingredients is aimed at everyone who wants to try something new, prefers sustainable and climate-neutral products, enjoys vegan nutrition and for whom eating vegan does not mean missing out on anything.



THE NAME SAYS IT ALL

With its plant-based alternatives to meat, milk and cheese, vehappy is unequivocal in its advocacy of vegan nutrition. From soy drink and vegan “meatballs” to coconut yoghurt, vegan cheese alternatives and chocolate: the vehappy product range already covers almost all product areas and fulfils the wishes of nutrition-conscious customers for every type of meal. The brand also stands for consideration and well-being – for fellow human beings, animals, the environment and the climate. Oats, soy and almonds used in their products are sourced in Europe and are processed with gentle care – and come without preservatives or additives.



People in Germany who identify as vegan or as people who largely abstain from animal products, in the years 2019 to 2021

Sources: IfD Allensbach, © Statista 2022

GOOD FOR THE CLIMATE



Plant-based variety of organic quality: this is what you can expect in the product range of the private label “EDEKA Bio – natürlich vegan”. Not only do the products represent good alternatives to animal products – they also help protect the climate. For example, the production process for “Tofu classic” generates significantly smaller amounts of greenhouse gases than do products of animal origin.

COOPERATION WITH PLANTED

EDEKA Southwest is also pioneering new vegan ways: in Planted, they brought an innovative producer on board. This Swiss start-up sells meat alternatives made from pea protein – even for the fresh-food counter. What makes it innovative is the short list of ingredients, and the fact that these ingredients are 100 per cent natural – yet visually, taste-wise and in terms of texture, the products are virtually indistinguishable from chicken meat.



A VEGAN START INTO THE NEW YEAR



With its #VEGINNER promotional campaign, EDEKA showed that “vegan” is enjoyable, and does not mean having to go without anything. EDEKA customers were guided through “Veganuary” which is well known around the world, and encouraged to try something new: under this hashtag they found a treasure trove of enticing recipes, weekly meal plans, tips and prompts to try out a vegan diet. The aim was to communicate the topic of veganism in a light-hearted, entertaining way, and the campaign included tasting events at the POS, a vegan special edition of the nutrition podcast “ISS SO” as well as a MIT LIEBE vegan special with a record circulation of 2.5 million copies.



FOOD TECH MADE BY EDEKA

The EDEKA Group is an entrepreneurs' enterprise that is thriving, thanks to the dynamic character of its start-up entrepreneurs throughout Germany. In an effort to identify new trends even more quickly and develop innovative solutions and products for the retail sector, the EDEKA Group is expanding its cooperation with start-ups systematically. The Food Tech Campus in Berlin, for example, offers young start-up entrepreneurs the chance to create the food and tech trends of tomorrow. The co-working space in Berlin-Moabit is the ideal place for working on food products and retail tech solutions – it offers an energetic network of experts, start-up entrepreneurs and independent EDEKA retailers who all contribute their experience and retail know-how.



Here, what belongs together grows together: the campus is a hotspot, home and launch pad for start-up entrepreneurs in the food retail industry. The people here developed not only food innovations, but also technical solutions for the technologisation, the future of the EDEKA stores. And what makes this concept unique is that members have direct access to a network of real food and retail professionals.

THE FUTURE IS NOW

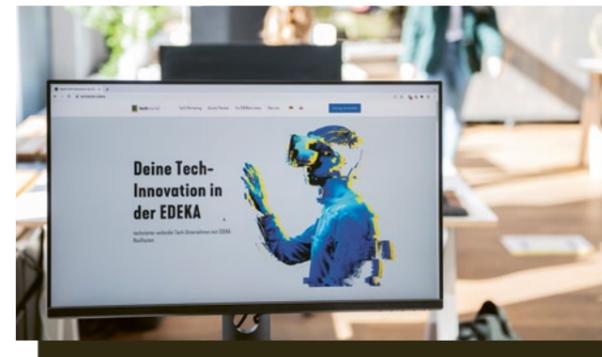
Whether they are working in a store or in the administration – the independent EDEKA retailers are constantly on the lookout for innovations capable of optimising shopping experiences or daily work procedures. In techstarter, the EDEKA Group has provided them with a new platform that connects interested retailers directly with start-up entrepreneurs and their tech solutions.



Sebastian Cramer,
multiple-business operator
in the EDEKA region
Minden-Hanover

EVERY IDEA COUNTS

Start-ups are given the opportunity to present and specifically market their technology solutions. In this way, they can solve any challenges the retailers may be faced with directly on-site at the respective locations, that is on the sales floor spaces. The techstarter team is constantly looking for innovations and evaluates them in terms of their usefulness and practicality. The experts concentrate on innovative solutions suitable for EDEKA retailers, the seven EDEKA regional companies and EDEKA HQ in Hamburg.



FROM THE IDEA TO THE STORE

Does the idea suit EDEKA? Is it testable, as well as scalable? Potential innovations are meticulously examined and evaluated by techstarter before they are recommended to the regional companies and the retailers for a pilot project. After a test phase, techstarter compiles a detailed practical portrait – including their evaluation and conclusions, and this is then made available on the platform.



EDEKA retailers, and ultimately their customers as well, derive benefit at all levels: they are provided with an overview of technologically innovative solutions that are relevant to them and can use the platform to make further enquiries about them with a single click.

»THE PLATFORM IS A CONTACT POINT FOR US RETAILERS: THE TECHSTARTER TEAM BUNDLES SOLUTIONS ONCE THEY HAVE BEEN VALIDATED AND INCLUDE ALL THE RELEVANT INFORMATION. IN THIS WAY I CAN QUICKLY DECIDE: WHICH TECHNOLOGIES DO I NEED AT THE STORE?«

STILL A BESTSELLER

The EDEKA retailers are already familiar with the concept – from the foodstarter platform, the biggest B2B marketplace for start-up products in the food retail sector. Last year around 500 start-ups were active on the platform, with more than 2,500 articles. Over 4,000 EDEKA stores use foodstarter to keep abreast of food innovations, to order interesting novelties that they can offer their customers on the shop floor.



SHOPPING IS GETTING SMART

The EDEKA Group is consistently pursuing its digitalisation strategy in the retail sector. Last year, numerous innovative solutions were again developed and tested directly at the POS.

With the opening of the Pick & Go branch in Munich-Schwabing, Netto Marken-Discount became the first discounter worldwide to provide autonomous shopping which does not require checkout procedures or the scanning of products. It is an entirely new shopping experience: when entering the store, customers simply check in using a QR code. They can then put the products they want to buy directly into their own shopping bags. They then do another QR code scan and are able to leave the branch through an express exit. The amount for their purchase is automatically transferred via the payment method stored in the Netto app.



Data security and privacy protection are fully guaranteed at all times, and the technology used in the pilot branch is GDPR-compliant.

CONVENIENT AND CONTACTLESS

This pilot project was made possible through the use of sensors and mini PCs installed on the shelves and in the ceiling. As products are removed from the shelf they are recorded and attributed to the respective customer. With this pilot project, Netto Marken-Discount meets the wishes of all those customers who would like to do their shopping more quickly and in a more modern manner. The hybrid concept of the Munich innovation branch also lets customers who are less smartphone-savvy to continue to shop as before by going through the checkout.

INNOVATIONS ON THE TESTBENCH

The EDEKA Group is consistently pursuing its digitalisation strategy through many different projects. Three examples:

- The e-receipt heralds the end of the paper war: at the customer's request, the cashier generates a QR code that the customer is then able to scan. The e-receipt then appears on the customer's smartphone as a PDF file. Considering that a store with an average of 320 customers per day goes through about 250 metres of paper for receipts, the e-receipt also represents an important step towards greater sustainability.
- With the innovative "EASY Shopper" shopping trolley, EDEKA Minden-Hanover is combining the advantages of e-commerce with the benefits of a real shopping experience at the supermarket. Customers no longer have to queue at the checkout, as the goods can be placed straight into shopping bags at the shelf once they have been scanned.
- Under the moniker E 24/7, EDEKA Southwest has been operating a fully automated pilot store in Renningen, Swabia, since last year. The store was set up in cooperation with Deutsche Bahn (German railway). At "E 24/7 Karow & Sommer" customers can shop for basic food items, drugstore products and drinks – seven days a week, 24 hours a day.



TEST PASSED!

Together, they drove the Pick & Go project: Marco Pietsch (r.) and Steve Schumann.

What is the lead time required for a project like this?

From conception to full implementation, it took a total of two years. Our goal was to get Pick & Go working across the entire product range at a Netto city branch. The processes for our customers had to be redesigned from scratch, and the artificial intelligence we use had to be trained for these application cases.

Did this require any building alterations at the store?

In order to install the systems, some alterations were needed at various points, for example to integrate the ceiling sensors into the existing building services, and to install the mini PCs on the shelves. It involved quite a few kilometres of new cabling to be put in place.

What tasks did the employees have to carry out?

The Pick & Go technology presented the entire staff of the branch with new challenges. Each article had to be "trained" in the Pick & Go system, and every product relocation had to be updated in the system. This also led to more strict requirements in terms of the organisation on the shelves. In addition, the colleagues also had to act as the initial contact point for our customers. The local branch team has been highly cooperative right from day one and has supported the idea of cashierless shopping from the very beginning.

How did customers respond to the new technology?

Even though nobody enjoys lining up at the checkout, customers still felt unaccustomed to not having to do so. Anyone who has tried out Pick & Go once was immediately persuaded: no more scanning of products, people can simply enter and exit again, and the receipt is automatically delivered to the smartphone: it seems like magic!

**NEW
GROUND
BROKEN**

NO BLAND DIET

Digitalisation is not only changing the shopping experience at the store – but also the way information about food and nutrition are communicated. A veritable story of success emerging last year was "ISS SO" ("EAT LIKE THIS"), the EDEKA nutrition podcast featuring Achim Sam. Seasoned with a pinch of humour and a dash of self-irony, the nutritionist delivers all his expert knowledge week after week in a dialogue with presenter Julia Rohrmoser – easily digestible and without moralising.

»I BECAME AWARE THAT PEOPLE WERE GETTING TIRED OF THIS MISHMASH OF INFORMATION ABOUT NUTRITION, THAT ALL THEY WANT IS REAL INSIGHT AND GUIDANCE.«

ACHIM SAM,
NUTRITIONIST AND HOST OF THE
EDEKA NUTRITION PODCAST "ISS SO"



Demonstrating week after week that the science of nutrition can be anything but dry: host Achim Sam and podcast moderator Julia Rohrmoser.

The success of the format was not only reflected in the user numbers, the podcast also won the German Prize for Online Communication in the category "Retail & E-Commerce", which has been awarded since 2011. The 48-member jury from business, research, corporate communications and online PR was swayed by the podcast's rating in criteria such as innovation and creativity, strategy, implementation as well as outcome and efficiency.

PROXIMITY TO CUSTOMERS HAS MANY FACES

#1 CONTINUING ON THE PATH FOR GROWTH

Since 2021, holders of the DeutschlandCard have also been able to benefit from the many advantages and programme offers in the EDEKA regions North and Rhine-Ruhr as well as at trinkgut. In total, some 900 stores and locations joined the network of this multi-partner bonus programme.

»SINCE THE PROGRAMME GOT UNDER WAY IN 2008, WE HAVE ENJOYED CLOSE COOPERATION BASED ON MUTUAL TRUST WITH THE EDEKA GROUP.«

DIRK KEMMERER,
GENERAL MANAGER DEUTSCHLANDCARD

#2 A CAUSE FOR CELEBRATION

Since 2015, the engaging three-person flat-sharing community going by the name of yumtamtam has been inspiring young people to grab a ladle themselves and have a go at cooking – with videos demonstrating recipes, cook-off challenges and many more ideas. In August 2021 they ran the 1,000th episode on the EDEKA YouTube channel. Since the launch in 2015, yumtamtam videos have clocked up an extraordinary 186 million hits, and people have watched about 600 million minutes of video content.

#3 VIRAL HIT FOR THE KICK-OFF ON TIKTOK

EDEKA has done it once again: the video “Super Marc” starring the music and improvisation talent Marc Rebillet in the leading role inspired people on all social networks. The video received several million clicks in no time at all. The video also marked the launch of EDEKA’s new TikTok channel. Not only did the video get 7.7 million hits on the platform; it also made EDEKA the brand channel with the second-largest following in the DACH region in just a few days.

#4 USEFUL TIPS

In BABYLIEBE (BABYLOVE) parents – including prospective ones – are given vital tips on subjects such as pregnancy, childbirth and family life. The focus of the magazine, which has been reaching a broad readership by being made available at the POS since last year, is on the areas of nutrition, care and hygiene. Informative as well as entertaining, readers will find interesting facts and tips, including advice from experienced midwives.



#5 NEW MARKETS, NEW OPPORTUNITIES

Instagram, TikTok, etc., have become ubiquitous. By engaging directly with influencers, new communication channels were created last year. The social media networks offer both retailers and the EDEKA Group as a whole additional ways to reach new target groups right where they spend their time on a daily basis. The latest figures from Statista clearly support this: 89 per cent of 16- to 24-year-olds in Germany make use of digital network offerings. In 2021 alone, EDEKA ran 35 different campaigns in collaboration with 153 influencers, resulting in the remarkable total of 38 million impressions.



“Looking for the Schmand (sour cream)”: this promotional effort made the vast range of products available at EDEKA not only visible, but also audible – in a most creative fashion.

ACTING RESPONSIBLY FOR THE BENEFIT OF THE ENVIRONMENT AND FUTURE GENERATIONS – THIS IS PART OF THE DNA OF THE EDEKA GROUP



NOTICEABLY SUSTAINABLE

In 2021, the EDEKA Group continued to build on its strategy for responsible action. With the “We & Now” concept, there has now been a shared umbrella since last year for numerous projects and more sustainable products that bring us closer to our ecological and social targets. The motto makes it clear: if we all pull together – today, not starting tomorrow – we can achieve more.

CLEARLY DEFINED SHARED GOALS

New endeavours in order to make our world a little bit better – on the issue of environmental protection, the partnership for greater sustainability between EDEKA and the WWF has constantly been setting new benchmarks in the German food retail sector since 2009. To provide customers with greater transparency in relation to a number of environmental issues, EDEKA and the WWF have structured their work according to four main objectives. These show clearly how the partnership’s co-operation contributes to the UN Sustainable Development Goals (SDGs), and which societal challenges are being addressed in a targeted fashion:

- PRESERVATION OF BIODIVERSITY
- CLIMATE PROTECTION
- CONSERVATION OF RESOURCES
- PROTECTION OF FRESHWATER ECOSYSTEMS

BIODIVERSITY

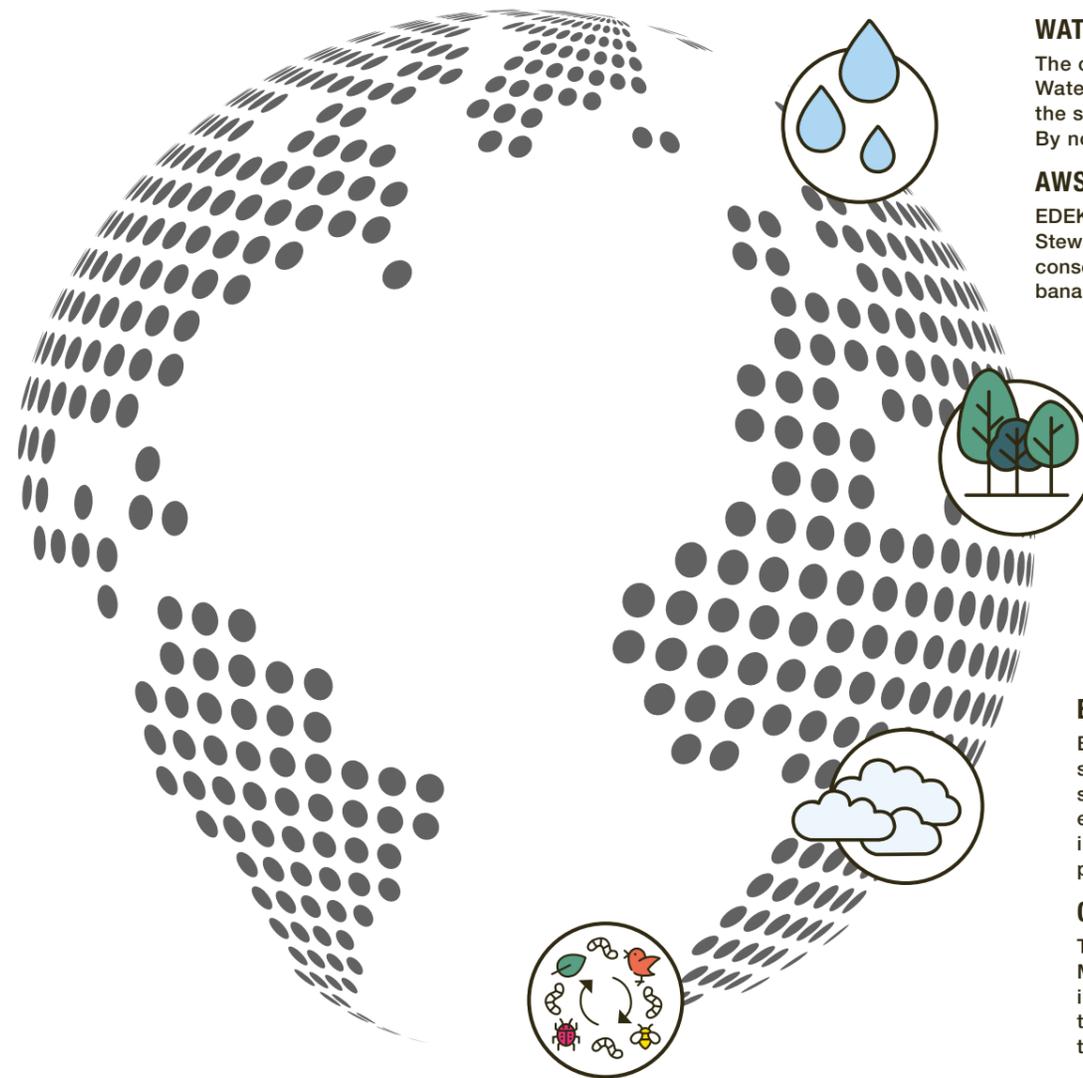
For preservation of the diversity of species

Biodiversity is under threat around the world. Yet to ensure the survival of countless different animal and plant species is of enormous importance, not only to maintain the ecological balance, but in terms of safeguarding crop quality and crop yields. Various factors contribute to the extinction of species: the destruction of habitat through the intensive use of agricultural land, the use of pesticides, and monocultures that deplete the land. More sustainable methods, such as organic farming and pole-and-line fishing, contribute to the preservation of biodiversity.

CLIMATE PROTECTION

For a better climate

Climate change is becoming ever more severe – and this has consequences for the entire planet and for the survival of biodiversity and ecosystems. This is why EDEKA and the WWF are jointly taking a stance for the protection of our climate. Our Group is continuously working to reduce its carbon footprint, and thus contributing towards the targets set out in the Paris Climate Agreement. By expanding the vegan product range, for example, which benefits climate protection, from cultivation all the way through to sale of these products.



WATER MANAGEMENT

The core component of the management system, the EDEKA Water Risk Tool, has already been rolled out for use by all the suppliers of private-label fruit and vegetable brands. By now the tool covers more than 15,000 operations.

AWS CERTIFICATION

EDEKA is a supporting member of the Alliance for Water Stewardship (AWS), a global organisation for freshwater conservation, to whose standards all producers of the banana project are already certified.

PACKAGING

For packaging, EDEKA relies on the tripartite slogan “Avoidance, Reduction/Multiple-Use, Recycling”. In addition, EDEKA uses packaging materials such as wood and paper from FSC-certified responsible forestry sources.

ENERGY EFFICIENCY

By implementing innovative concepts at the stores – such as the installation of photovoltaic or heat recovery systems – the stores are able to operate in an energy-efficient manner; continuous investments are made in modern technologies. Efficient logistics also help protect the climate.

CLIMATE SUPPLIER INITIATIVE (CSI)

The CSI was established jointly by EDEKA, Netto Marken-Discount, BUDNI and the WWF in an effort to incorporate climate protection measures along the entire supply chains. The CSI initiative includes participation by the suppliers.

PROJECTS AND PROGRAMMES

All the projects and programmes launched by EDEKA and the WWF in relation to agricultural cultivation are also designed to support biodiversity: the citrus project in Spain, the banana project in South America, and here at home, “Agriculture For Biodiversity”.



PROTECTION OF FRESHWATER

For our water

Three per cent of the world’s water is freshwater. Of this, only about 1 per cent is accessible to humans – and about 70 per cent of this is used for agriculture. Freshwater resources are unevenly distributed around the world, and quite scarce in many places. The situation is becoming critical in many areas, including Germany, as the recurring droughts have shown. This is why EDEKA is promoting the protection of freshwater resources and, together with the WWF, has developed a water management system designed to protect local sources of freshwater. With its Water Risk Tool, EDEKA assists agricultural operations with the analysis of their water risks.

CONSERVATION OF RESOURCES

Using resources sparingly

Due to high consumption worldwide, people consume significantly more resources than the earth can provide. Be it timber, freshwater and other resources – they are all in danger of becoming unusable. For this reason, EDEKA and the WWF are working together to promote a more resource-efficient economy – for example, in the manufacture and processing of products.

GREATER TRANSPARENCY = GREATER SUSTAINABILITY

As a cooperative enterprise, it is also in the EDEKA Group's own interest to act sustainably and protect natural resources, so that we can continue to offer a great variety of food in sufficient quantities in the future. The focus on four core topics is aimed at raising awareness among consumers with regard to adopting a more responsible lifestyle, and to support them in making more sustainable consumption decisions in their everyday lives.

PRIVATE LABELS LEAD BY EXAMPLE

Since the year 2021, all of the more sustainable EDEKA private-label products are categorised under one of the four main "We & Now" topics. In this way, customers at EDEKA stores are provided with information right on the packaging to which of the global challenges a product is contributing – from fishing without the use of trawl nets to orange and banana farms where biodiversity is promoted and water is saved, to plastic-free fruit and vegetables. For example, thanks to its product and packaging characteristics, EDEKA Bio organic rice contributes to the conservation of resources.



Private-label products meeting the sustainability standards recognised by the WWF and having obtained the relevant certification bear the WWF Panda logo.

FOCUS ON SUPPLY CHAINS

Last year's devastating floods made it abundantly clear: extreme weather situations are becoming more frequent. Droughts and heatwaves are also having an impact – human-induced global warming threatens our livelihoods and the environment. The EDEKA Group has been working for greater environmental and climate protection for years. Since a large proportion of climate-damaging emissions are produced during the manufacture and transport of products, it is particularly important to reduce greenhouse gases and promote resource conservation and energy efficiency in these areas.

JOINT INITIATIVE BY EDEKA AND THE WWF

The Climate Supplier Initiative launched by the EDEKA Group and the WWF in the year 2021 sends a strong signal for more climate protection along the entire supply chain. This is because more than three-quarters of all greenhouse gas emissions from the food retail sector are caused during the production of goods. CSI members take responsibility for reducing their direct and indirect (Scope 1 and Scope 2) emissions. Also on their agenda is the development and implementation of programmes and measures for the reduction of further indirect emissions (Scope 3). EDEKA Zentrale, Netto Marken-Discount and BUDNI have set themselves the target of reducing their Scope 1 and Scope 2 greenhouse gas emissions by 33.6 per cent by 2025 compared with the base year of 2017.

REDUCING WATER RISKS

In addition to climate protection, the conservation of freshwater resources was one of the core issues for the EDEKA Group in 2021. Accordingly, the internal water management was constantly enhanced last year, for example through the application of the EDEKA Water Risk Tool. Use of this tool makes the analysis of water risks as transparent as possible and thus helps to systematically reduce them. Rolled out initially for the leading fruit and vegetable suppliers for the private labels, its use has since been expanded to the entire EDEKA Fruchtkontor (fruit and vegetable division) with its more than 1,000 suppliers for EDEKA and Netto Marken-Discount. To date, more than 15,000 agricultural operations are covered by the tool.

Joining the 14 fincas in Andalusia participating in the agricultural project for more sustainable citrus cultivation run by EDEKA and the WWF were another five fincas in the Valencia and Catalonia regions in 2021. On an area of over 1,500 hectares, they save water, reduce the use of pesticides and promote biodiversity and soil fertility.



In the banana project managed by EDEKA and the WWF, the water used for washing the bananas is recycled and reused multiple times.



THE FOUNDATION IS IN PLACE

Tilo Suckow has been the WWF's man in charge of the climate protection programme in the partnership with EDEKA since 2017. He developed the Climate Supplier Initiative (CSI) that was launched by EDEKA, Netto Marken-Discount, BUDNI and the WWF in May 2021.

Why was the CSI established?

The largest share of greenhouse gases is produced during the manufacture of products in the food retail sector. This is exactly where the Climate Supplier Initiative comes in: greater climate protection along the supply chain. This can only be done by working with suppliers who are committed to the same goal.

What are the measures through which this has been achieved?

By reducing greenhouse gases at the farm level, during production, but also in packaging. The suppliers are provided with support in their effort to assess their emissions, in setting ambitious climate targets and in implementing climate protection measures.

Why is it important to include the suppliers?

Reducing Scope 1 and Scope 2 emissions is an important task for all companies, because this is where they can exert a direct influence. It becomes more difficult with Scope 3 emissions, as these are produced in the upstream and downstream supply chains, which can be very complex. For the EDEKA Group, they account for the bulk of the climate footprint. It therefore follows that effective climate protection can only be achieved in collaboration with the suppliers.

How does the CSI help the suppliers?

For many of them, implementing climate protection in their operation in a targeted manner is something relatively new. Through the CSI, our aim is to provide assistance to suppliers, for example with the Climate Protection Handbook that we make available free of charge. By establishing the CSI, we laid an important foundation for reducing greenhouse gas emissions in supply chains. But it will not be a sprint, it will be a marathon.

**NEW
GROUND
BROKEN**

THREE PIECES OF GOOD NEWS

GERMAN PACKAGING AWARD 2021



The EDEKA multiple-use freezer shopping bag made of recycled material has won the German Packaging Award 2021 in the Sustainability category. Not only is the body of the bag made of more than 80 per cent recycled material; the handle is also made of recycled material from the tops of PET beverage bottles carrying a deposit and collected at EDEKA stores.



SUSTAINABLE STORE CONCEPTS

Contributing to better conservation of resources through numerous lower-profile sustainability measures. This was the path chosen in 2021 by EDEKA Minden-Hanover

in cooperation with the WWF. The partners introduced the retail concept "Auf ZukunftsWegen" ("On Future Paths") in order to experience sustainability even more directly right at the store, involving both employees and customers. Key to the programme was a guide containing 47 environmental and resource protection measures relating to the design of the product range and of the store, as well as ways in which information is communicated. The EDEKA Center Moabit in Berlin was the first store to introduce the concept. There are plans to roll it out to many more stores.

CELEBRATING A ROUND FIGURE MILESTONE

In 2021, the model project Agriculture for Biodiversity celebrated the certification of the 100th organic farm after they implemented additional conservation measures for wildlife and plants. The EDEKA Group has been committed to the goal of increasing the diversity of wild animal and plant species since 2012.



A SIGN OF APPRECIATION

According to estimates by the German organisation Welthungerhilfe (World Hunger Help Programme), around 1.3 billion tons of food end up in the waste bin every year. With the adoption of Agenda 2030 and the Sustainable Development Goal (SDG) 12.3, the global community has set a target to halve food waste at the consumer and retail level by the end of the decade. Even though the proportion contributed by the food retail sector is relatively minor at around 4 per cent, the EDEKA Group is actively contributing towards the implementation of this sustainability target, and last year the Group led by example and introduced numerous positive measures.

USE, DO NOT WASTE

The “Blind Date Bag” from EDEKA retailer Dominic Bylitz is one such good example of the fight against food waste in the EDEKA Group. The idea: every morning Bylitz and his staff put fruit and vegetables with slight blemishes into the bags and then sell them at a fixed price. Depending on what and how much there is, the number of bags changes from day to day, as do their contents. The idea earned the retailer the “Award for responsible action” in 2021. EDEKA confers this award every year for ecologically and/or socially exemplary projects undertaken by EDEKA retailers.

Many other retailers, such as those in the regions Southwest and Minden-Hanover, have already adopted Bylitz's idea for their own stores.



A SECOND LIFE FOR FRUIT AND VEGETABLES

Yet another good example is the project Liebe² (Love²), by the EDEKA region Minden-Hanover. In 2021, 28 EDEKA stores sent fruit and vegetables no longer fit for sale but too good to be thrown away to five workshops run by the Wittekindshof Diaconal Foundation, where they were processed into chutney, thus affording the produce a “second life”.



NATURAL PROTECTION AGAINST SPOILAGE

One real innovation designed to counter food waste is Apeel, the plant-based protective coating for avocados, oranges and mandarins – and since early 2021 also for grapefruit and lemons. This “second skin” slows down oxidation as well as the loss of moisture in fruit and vegetables. A 40-week evaluation of avocado sales at EDEKA and Netto Marken-Discount showed a reduction in losses of almost half.

GREAT APPETITE FOR KNOWLEDGE

Also committed to promoting the appreciation of food is the EDEKA foundation. For this reason the foundation continued with its project “Gemüsebeete für Kids” (“Vegetable beds for kids”) in 2021, despite the restrictions imposed by the coronavirus pandemic, and in full compliance with all hygiene rules. Through this educational project, more than 200,000 children in around 2,700 day-care centres across Germany were again able in 2021 to experience how carrots, etc. grow and flourish in their own beds – in each case with the active support of the local retailers, whose tireless efforts play a major role in the success of the project.



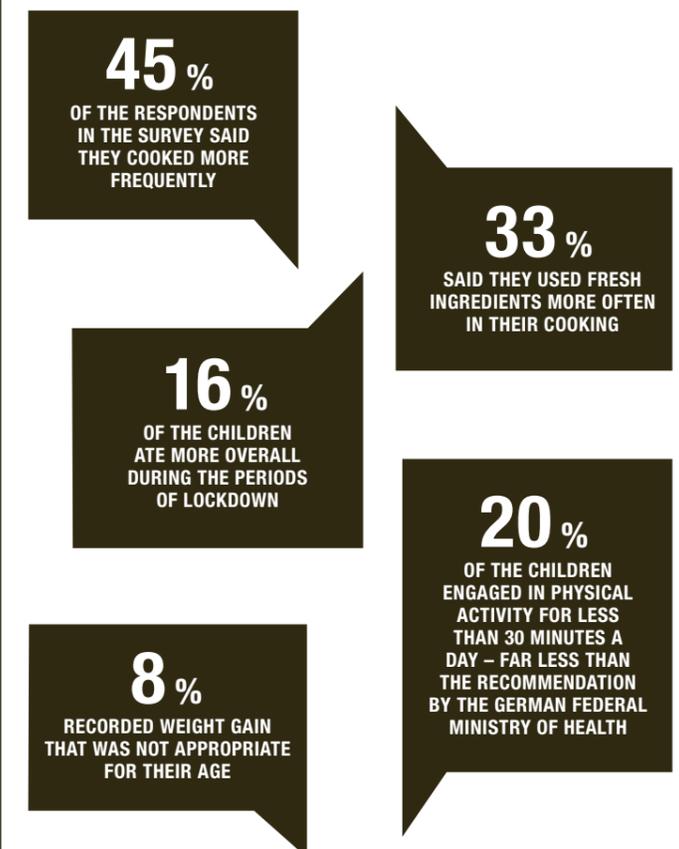
The recipe for success of the EDEKA Foundation is quite simple: the kids are not taught some dry theory. Instead, even the youngest children gain enduring knowledge about valuable foods and what makes for a balanced diet.

»WE REALLY DO APPRECIATE HOW THE EDEKA FOUNDATION HAS BEEN THERE FOR THE CHILDREN EVEN DURING THIS EXTRAORDINARY PERIOD. OUR KIDS HAD A LOT OF FUN AND CAN BARELY WAIT TO SEE HOW THEIR PLANTS GROW.«

TEACHER ALEXANDRA WEHDE,
FRÖBEL-KINDERGARTEN ELBWICHEL

STUDY: CORONA CAUSES EXCESS WEIGHT IN CHILDREN

Raising awareness among children – as well as parents – about good nutrition seems more important than ever. This was the finding from a nutrition and physical activity study conducted by the EDEKA Foundation last year. In a survey, more than 1,000 parents were asked how the dietary and physical activity behaviour of their 4- to 6-year-old children changed during the coronavirus lockdowns. The results show that many parents took responsibility in matters of nutrition. What was a cause for concern, however, is that one-third of the children consumed more sweet and salty snacks than before the pandemic. Many children also missed out on physical activity.



AN OPPORTUNITY FOR THE FUTURE

However, many parents also see the pandemic as an opportunity to establish new eating habits: 29 per cent of the respondents plan to continue cooking together with their children once the pandemic is over, and to continue to involve them in meal preparation. 26 per cent said they intended to eat with greater awareness and try new foods in the future, even after the pandemic.

EAGER FOR THE OLYMPICS

After last year's postponement, it was not only the athletes who were eager for the Olympic Games to be held in Tokyo this summer. The EDEKA Group, as a Premium Partner of Team Germany, along with many independent merchants and regions, cheered the athletes on and kept their fingers crossed as they competed for the coveted precious metal.

Gymnast **Lukas Dauser** won the silver medal on the parallel bars in Tokyo – sharing in his delight were store manager Christoph Lauterbach and his team at the E center Halle.

Nutrition with awareness and sport are two sides of the same coin. As an expert in nutrition, EDEKA is a Premium Partner for Team Germany, and has been working with athletes preparing for the Olympic Games since 2016, and together with the athletes has been providing motivation and ideas for a balanced diet. Because whether it is in everyday life, at work, in amateur or competitive sports: a balanced diet incorporating high-quality food is the basis for a good performance. This is why EDEKA supports many Team Germany athletes throughout the year and works with them before, during and after the Olympic Games. Together with the athletes, we offer our customers impulses and inspiration around exercise and a balanced diet.

OLYMPIC FEELING UP CLOSE

Throughout Germany, some 50 Team Germany athletes can currently rely on the commitment and the enthusiasm of EDEKA retailers and regions. Jointly with EDEKA HQ, we have worked with over 150 athletes since 2016 in national campaigns, in selected projects, and through various local partnerships with EDEKA retailers. It is these local partnerships in particular that are very important for the athletes, because they not only demonstrate a recognition and appreciation of their achievements, they also make it possible for them to concentrate fully on their sport. The EDEKA retailers, too, benefit from the presence of "their" Team Germany athletes – they are regular customers at their store, and they are vital partners for matters relating to food and fitness.

BEING PART OF THE ACTION, ALWAYS AND EVERYWHERE

EDEKA covered the major sporting event on all communication channels. Germany's biggest food magazine, MIT LIEBE, devoted an entire issue to the Olympic Games.



In addition to interviews with beach volleyball duo **Laura Ludwig** and **Maggie Kozuch** which included their fitness tips, the magazine also published the recipes for success of many of the Team Germany athletes.

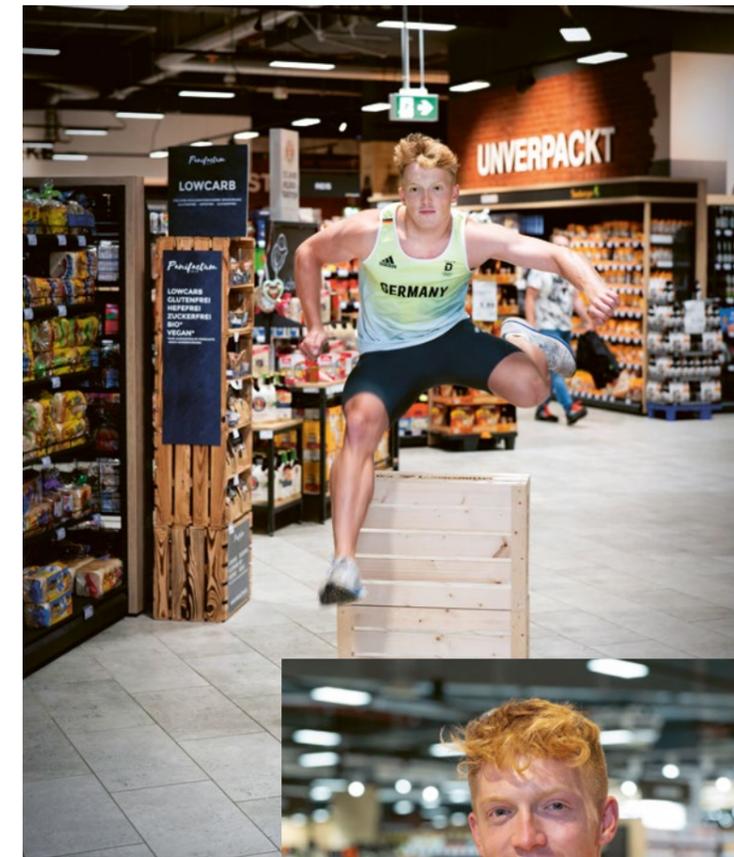
On EDEKA's social media channels everything revolved around Tokyo, too – with postings about Japanese cooking, for example, and about how to achieve a balanced diet. And, of course, there were congratulatory messages to the successful Team Germany athletes who work with the retailers at the local level.



Track cyclist **Emma Hinze** won Olympic silver in Tokyo and was celebrated accordingly by the staff at the E center Scholz in Cottbus.



Sebastian Brendel together with Tim Hecker won bronze in the Canadian Doubles. A multiple Olympic champion, he still collaborates regularly with EDEKA, for example in the Minden-Hanover region, where some of the stores also stock the products from the food start-up "Brendels" that was founded in 2021.



Backed by a strong partner, he is unstoppable: Team Germany decathlete **Manuel Eitel** enjoys the local cooperation with EDEKA Dörflinger in Ulm.

A SHARED OUTLOOK

That the enthusiasm for sport knows no bounds in the EDEKA Group even in the absence of an Olympic media presence is demonstrated by a cooperation taking place in Ulm. Here, the EDEKA retailer Ralf Dörflinger has been supporting the decathlete and Team Germany member Manuel Eitel since last year, even though Eitel missed out on the qualification for Tokyo by a whisker. This duo from Ulm already have Paris 2025 in their sights. "As a local partner, EDEKA Dörflinger is closer to my work, the training and the sporting success," says Manuel Eitel, who has already come up with one or two ideas for the partnership. "We both have firm roots in this region, and through our promotional campaigns we deliberately seek out the proximity and contact with sports enthusiasts within the region."



»FRUITY AND FRESH, A LITTLE BIT SWEET, WITH A SLIGHTLY SOUR NOTE, PLUS A GREAT LOOK – AFTER A STRENUOUS WORKOUT, OUR SNACK BALLS ARE PERFECT FOR QUICKLY REPLENISHING YOUR ENERGY STORES.«

OLYMPIC CHAMPION LAURA LUDWIG, WHO, TOGETHER WITH THE GERMAN ROWING EIGHT STAR HANNES OCIK, MANAGED TO DEFEND HER TITLE



OLYMPIC WINTER GAMES 2022

Biathlete **Benedikt Doll** impressed in Beijing not only on the skis and with the rifle, but also by appearing in the EDEKA cookery series #reifeleistung.



PALPABLY POSITIVE ENERGY

Perfectly timed for the Olympic Games in Tokyo, EDEKA hosted the tastiest event of the year: the competition for the Team Germany snack balls. Laura Ludwig (Olympic champion beach volleyball) and Hannes Ocik (Olympic runner-up in the rowing eight) went into battle as #teamfruchtig, facing off against Maggie Kozuch (beach volleyball) and Johannes Vetter (javelin world champion) as #teamkernig. Together with EDEKA, they created two different kinds of snack balls: coconutmango and salty peanut. Online voting put #teamfruchtig slightly ahead of their competitors. Because the vote was so close, both types of snack balls ended up on EDEKA shelves as official Team Germany snack balls, right on time for the Olympic Winter games. After the Team Germany energy bar (2020) they become the second and third official Team Germany private-label product.

90
ATHLETES
AND
INFLUENCERS
URGED THEIR FANS
TO VOTE

**QUICK
FACTS**

45,000

CUSTOMER AND SPORTS
ENTHUSIASTS TOOK PART IN THE
CAMPAIGN TO VOTE

AFTER THE GAMES IS BEFORE THE GAMES

After Tokyo in the summer, the Winter Olympics were scheduled for early 2022. As Premium Partners, EDEKA and Netto Marken-Discount also sponsored the Team Germany athletes on the road to Beijing, for example during the official introduction of the Olympic attire for the 379 athletes in Munich, where a variety of delicious snacks were served under the motto "Ohne Mampf kein Kampf" (= no victuals, no victory). Some 11,000 EDEKA private-label articles were subsequently shipped to the Olympic villages. There were energy snacks like the Team Germany energy bars and snack balls, as well as baking mixes and müsli for the kitchen.



TEAM GERMANY ON THE ROAD TO SUCCESS

Ten gold, seven silver and five bronze medals, plus a historic success: Natalie Geisenberger added gold medals numbers five and six to her impressive collection with victories in the single luge and in the team relay, making her the most successful German Winter Olympian of all time. The Premium Partners EDEKA and Netto Marken-Discount sponsored the Olympic Winter Games with an attention-grabbing campaign and diverse activities. The EDEKA regions and retailers also supported "their" athletes. The staff at the E center in Miesbach cheered the luge athlete on via the store's social media channels and sent her digital messages.



The snack balls are small high-energy balls, the ideal snack for in-between meals, and perfect for athletes and everyone else who wants to eat a balanced diet.

45^m
USERS
WERE REACHED THROUGH THE
REPORTING ON THE EVENT



HERE'S TO GOOD NEIGHBOURLY SPIRIT!

To be there, to listen, to help: the year 2021 has shown us again how important mutual support among neighbours is. This was demonstrated not least by the great commitment of many volunteers in the regions most affected by the floods. Small deeds in support of fellow human beings in the immediate vicinity strengthen the sense of community. The independent EDEKA retailers know this only too well. Many of them have had deep roots in their communities for generations, and are traditionally committed to foster cohesion in their community, and they sponsor sporting associations, schools and kindergartens.

61 PER CENT APPRECIATE GOOD NEIGHBOURLY SPIRIT

In a representative study last year, the Neighbourhood Barometer 2021 examined how the value placed on the importance of neighbourhoods is trending in Germany, and in which federal states and cities the relationship people have with their neighbours has changed.

A HEALTHY NEIGHBOURLY SPIRIT IS SHOWN BY ...

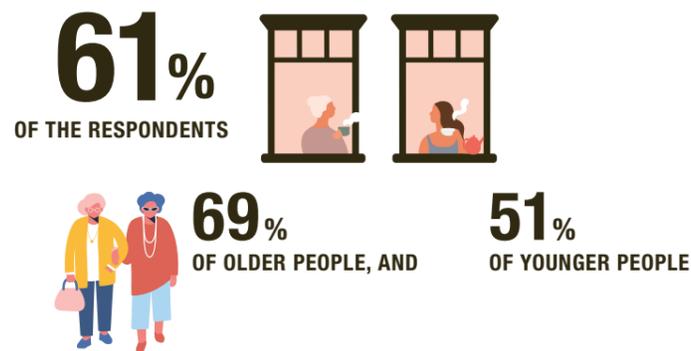
READINESS TO GIVE ASSISTANCE	58%
FRIENDLY RELATIONS	25%
SHORT CONVERSATIONS / SMALL TALK	14%

SPECIAL SURVEY RELATING TO LONELINESS

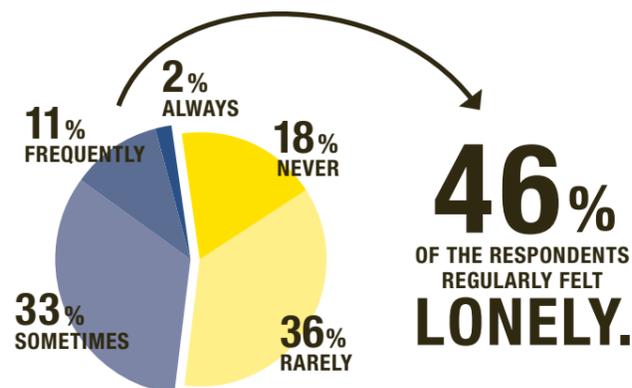
The focus in last year's survey was on the extent to which loneliness is evident within our neighbourhoods. Loneliness is a subjective construct and depends largely on individuals' feelings and perceptions. It is by no means a rare phenomenon in our society, however. 13 per cent of the people surveyed – which translates to almost 11 million people in Germany – feel lonely frequently to constantly. Another interesting finding was that one-third of the respondents felt lonely more often due to the coronavirus pandemic. The demographic groups of younger people and of female respondents were particularly affected.



GOOD NEIGHBOURLY RELATIONS ARE IMPORTANT FOR ...



FEELING LONELY WERE ...



EVERYONE IS GIVEN AN OPPORTUNITY

In 2021 the EDEKA Group further strengthened its commitment to support people with a migration background. For example, by providing vocational training in over 40 job descriptions/professions and in targeted support programmes, such as the scholarship programme GEH DEINEN WEG (GO YOUR OWN WAY), which was established in 2012 in close cooperation with the Deutschlandstiftung Integration (German Foundation for Integration).

INTEGRATION WITH TRADITION

The labour market is a key area for strengthening integration and cohesion and for providing targeted support to people with a migration background. In the EDEKA Group, everybody is given an opportunity, regardless of their country of origin, their gender, or their religious or sexual orientation. What matters is commitment and an enthusiasm for performing as a strong team! This principle was already firmly embedded at the inception of EDEKA, when it was first established in 1907.

MENTORING, A TRIED-AND-TESTED CONCEPT

The goal of the scholarship programme GEH DEINEN WEG is to create equal opportunities and help scholarship holders further define their professional careers. To help them achieve their goals and develop personally, they are assigned an experienced mentor for a period of two years. They are given individual coaching and take part in numerous networking events and workshops for further vocational training.

1,000
GEH DEINEN WEG
SCHOLARSHIP HOLDERS
HAVE BEEN SUPPORTED ON THEIR
CAREER PATH SINCE 2012



NEW COUNTRY – NEW OPPORTUNITY

Fadila Ramic was born in 1965 in Donji Kamengrad, in Bosnia-Herzegovina. She came to Germany when she was 15. In the 1990s she began her career with the EDEKA Group as a delivery driver and dispatch worker – and today she has an executive position in the vehicle fleet of the company Bäckerei Büsch in North Rhine-Westphalia.

How has your background shaped you, also in terms of your professional attitude?

Growing up in my home country taught me that you should always follow your dreams. I have learned to always keep my goals in mind and to pursue them with great determination and commitment. Family, togetherness, cheerfulness and respect for others are also important in my home country.

Leaving your home country must have been a big step for you to take.

That is true. But when I decided to come to Germany, I was pursuing a goal, and after a long and not always easy journey, I achieved it. Many things were different at the beginning: I arrived in a new country, I learned a new language and also got to know a new culture. My life has changed since I moved here. But doing so has opened new doors in my life.

You are now the deputy fleet manager at Bäckerei Büsch, the manager of the night shift, and a member of the works council. As a woman with a migration background, was it difficult for you to succeed in your career?

No more or less difficult than for others. There are people from many nations working in the fleet. It is important in any industry for people to treat each other with respect. As is treating all colleagues equally, and being willing to listen. By adhering to these values, anyone – woman or man, with or without a migration background – can have a successful career at Bäckerei Büsch.

**NEW
GROUND
BROKEN**

TRAINING IS BECOMING MORE DIGITALISED

With 404,900 employees and 19,870 trainees and apprentices, the EDEKA Group was again one of Germany's biggest employers and providers of vocational training last year, and it has lived up to its responsibility for creating jobs and training places. New ground was also broken in the area of further education and training. There was an even more intense focus on the subject of "digital training" last year.

ONLINE OFFERINGS GREW ENORMOUSLY

The pandemic has completely altered the way we learn and has presented the field of vocational education and training with entirely new challenges. In responding to the changed situation, and in order to continue to enable the staff of the EDEKA Group to develop personally and professionally, completely new methods had to be developed last year. As a result, the online offerings for further education and training in the EDEKA Group grew enormously in 2021.



>1,000
NEW TALENTS

STARTED A PROGRAMME OF ADVANCED VOCATIONAL TRAINING IN 2021

FOCUS ON ONLINE LEARNING

The coronavirus pandemic has made changes in many areas necessary: flip charts are being replaced by digital whiteboards, group work is only possible in video conference rooms and participants need to adapt to new learning formats. Many things felt unfamiliar to begin with, yet in all parts of the EDEKA Group this was perceived as a great opportunity – in terms of the regional training offerings, in the Training & Development realm, and in the seminars held by the EDEKA Juniorengruppe (Junior Group) association.

In the year 2021, more than 1,500 people participated online in the format Kurz und Knackig ("brief and snappy"), on the subject of fruit and vegetables.



THE PANDEMIC? OUR OPPORTUNITY!

The Nachwuchsförderung (promotion of junior talent) team of the EDEKA Juniorengruppe (Junior Group) association opens the door to a successful career in the EDEKA Group for aspiring young employees. Before the pandemic, almost all further education programmes took place through face-to-face contact – but with contact restrictions in place, this had become virtually impossible. The team made the most of this upheaval and has since been working successfully to future-proof the training programmes. As project manager, Meret Thomann made a decisive contribution to the success of the digital transformation.

Was the pandemic the trigger for the digital transformation?

As we went through the necessary changes, we learned how to offer content digitally and what the advantages and disadvantages are. There were plans to offer more digital content even before the pandemic. The fact that we had to implement it then acted as a catalyst for the transition.

So now everything will be digital?

No, not at all. In-person attendance offers the great advantage that our participants can network very easily and benefit from each other's experiences. Forming a real community would be very difficult to achieve digitally. This is why we will continue to have practical and in-person attendance modules. But with an appropriate mix of in-person attendance and digital content, we can create solutions that make it easier to combine training with everyday working life – and have the best of both (learning) worlds, so to speak.

What is the importance of the further education programmes for a career?

All participants have something in common: they dare to try something new and want to advance by undertaking further education. That takes courage! We encourage our participants to take on responsibility and to dare to try new things in the future, so that they are in the best possible position for their careers.

NEW
GROUND
BROKEN

APP TO DATE!

Thanks to the AzubiGuide (trainee guide), vocational training at EDEKA has just become even more appealing. The digital platform is entirely tailored to meet the needs of digital natives, and it has been expanded again with additional functions for the start of training in 2021. Training plans and records, procedures, appointments and practical tasks are now available digitally and eliminate the need for keeping file folders and printed forms. A chat facility lets trainers and trainees stay in contact in real time and provide each other with feedback. In 2021 the AzubiGuide was also rolled out at EDEKA wholesalers. Today the app is used by more than 5,800 trainees and apprentices.



Honoured with the "eLearning Award 2021" and the "Gold Award" in the Human Capital Management Programme of the Brandon Hall Group in the category "Best Use of Mobile Learning".

SUCCESSFUL INTERACTION

The EDEKA Training Campaign also meets young people right where they spend their time online: on TikTok. The popular social media platform offers the perfect opportunity to get in touch with Generation Z. To this end, EDEKA enlisted the support of two charismatic influencers whose creative and witty video clips have earned them millions of enthusiastic followers on TikTok: Karim Jamal and Louisa Masciullo. For three weeks, the two faced off against each other, produced videos and responded to the questions



and suggestions from their followers. In the end, the community decided who had come up with the most entertaining and informative ideas – with a total of 645,000 likes, Karim Jamal won the challenge.

ROLLING UP OUR SLEEVES

When the first nationwide vaccination campaign rolled out in summer 2021, the EDEKA Group also lent its support. After a period of intense preparation, a broad-based vaccination campaign was launched at EDEKA Zentrale, its subsidiaries and at many locations of the regional companies.



Sara Serovic, Sales Marketing,
EDEKA Minden-Hanover



Roberto Göhrmann, Operations
Manager, EDEKA Import Logistics



Christin Sperling, Procurement and
Sales, Fruchtkontor Nord

All preparations for in-house vaccinations were made early on. Mobile teams of company doctors first vaccinated the employees in the production facilities and warehouses – for example at the Fruchtkontor West, at the winery Rheinberg Kellerei in Bingen, and at the BUDNI Handels- und Servicegesellschaft in Hamburg-Allermöhe. Next, the colleagues working at EDEKA Zentrale also received their vaccination. The occupational health management teams ensured that everything ran smoothly at all locations and on all the days the operation took place. The employees were informed about the voluntary vaccination offer in advance, in some cases with multilingual posters, by email or via the intranet. Appointments were booked online, and the consultation with a company doctor and the subsequent vaccination usually took place without requiring long waiting times. In just three weeks, around 1,500 employees were vaccinated with BioNTech's mRNA vaccine.

PILOT PROJECT IN BERLIN

As part of a pilot project run by the Berlin Senate, EDEKA Minden-Hanover received around 1,000 doses of vaccine in June 2021 to be administered to their employees at independent and directly managed retail outlets. Within just a few days, a vaccination line was set up where more than 100 people per day received their first dose of the vaccine.

**»WE ARE DELIGHTED THAT
WE WERE ABLE TO GIVE
BACK SOME NORMALITY TO
OUR EMPLOYEES THANKS
TO THE IMMUNISATION.«**

HANS-ULRICH SCHLENDER, EDEKA GENERAL SALES
MANAGER FOR BERLIN AND BRANDENBURG

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