

# Policy Statement on the Company's Human Rights and Environmental Protection Strategy

**We – EDEKA ZENTRALE Stiftung & Co. KG (“EDEKA HQ”), including its affiliated companies under German company law (e.g. Netto Marken-Discount Stiftung & Co.KG) – are committed to respecting human rights and protecting the environment.**

**Our actions in this regard are guided by internationally recognised frameworks and principles for the protection of human rights and the environment. These include in particular, but are not limited to:**

- **Universal Declaration of Human Rights with the United Nations’ Civil and Social Covenant**
- **United Nations’ Guiding Principles on Business and Human Rights**
- **Conventions and recommendations of the International Labour Organisation (ILO) on labour and social standards, in particular the universally applicable ILO core labour standards on the abolition of child labour, forced labour and discrimination and on guaranteeing freedom of association and the right to collective bargaining**
- **Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD)**
- **The United Nations’ Convention on the Rights of the Child**
- **The United Nations’ Convention on the Rights of Women**



In the field of environmental protection, we have also cooperated with numerous international organisations for many years. Our cooperation with the World Wide Fund for Nature (WWF) is particularly worth mentioning here. Within the scope of this strategic partnership, EDEKA and WWF have defined numerous contractual goals for more environmental, climate and species protection.

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## Expectations of employees and business partners

We expect all our employees, business partners and especially suppliers to comply with all applicable laws and to share our defined values.

To this end, we have defined a **Code of Conduct**

[\[humanrights.edeka\]](#) that reflects these expectations. This

Code of Conduct is binding for our employees and is agreed with our supply partners as a binding remedial or preventive measure where necessary.

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## Risk analyses and measures for suppliers

The EDEKA Group has set up a joint service for risk analysis and the initiation of measures on the part of suppliers. The common stance and concerted action of the various EDEKA units enables a better and deeper understanding of the specific risks of a supplier and more effective implementation of measures if critical risks are identified as far as suppliers are concerned.

The joint service is based on comprehensive data on suppliers and their product ranges, which is collected once a year and on an ad-hoc basis. In a first step, all suppliers are evaluated according to their locations and product ranges, taking into account global databases on human rights and environmental aspects (referred to as 'gross risk'). Suppliers that show higher risks in this regard are subjected to a more detailed survey and additional sources of information such as press reports are also subjected to scrutiny.

If the risk analysis has identified a higher risk and a supplier has been prioritised accordingly, EDEKA

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deploys trained experts who develop measures tailored to the specifically identified risks for and in connection with the supplier. The measures also include calling upon the supplier to recognise the Code of Conduct as binding. The successful implementation of the measures is monitored by means of a separately installed system and, if necessary, escalated by a team appointed for this purpose. In the process, the procurement department responsible for the supplier is involved where necessary. Systematic recording and tracking enables the results arising from these risk analyses and measures to be taken into account in the future selection of suppliers. When prioritising the processing of suppliers, EDEKA takes into account not only the type and scope of the relevant business activity, but also any existing knowledge of a separate need for action, even in the case of indirect suppliers. This ensures that maximum effects are achieved.



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## Risk analyses and measures for own business units:

EDEKA HQ (incl. all affiliated subsidiaries) has set up its own evaluation procedure for the consideration of risks within its own business units.

This procedure is based on a comprehensive questionnaire strictly relying for guidance on the human rights and environmental risks mentioned in Section 2 (2) of the [German] Supply Chain Sourcing Obligations Act (LkSG).

By setting up a separate procedure for risk analysis, the locations of the individual subsidiaries (at home or abroad) as well as company-specific risks can be reviewed in a targeted manner. In doing so, a separate risk analysis is carried out for each company, which takes into account, among other things, such criteria as the location (country), the type and scope of the relevant business activity, the severity of the possible violation of the protected legal interest according to the degree and number of those affected as well as its irreversibility, the possibilities of influence and the causation contribution of EDEKA.

The risk analysis in own business units is not only based on the human rights violations and environmental damage to be remedied, which are listed in the LkSG, but also takes into account applicable national laws, e.g. on occupational health and safety as well as collective and individual labour law, which are relevant in the context of the human rights and environmental risks indicated in Section 2 (2) LkSG.

If a potential risk or violation is identified in own business units, appropriate preventive and remedial measures are immediately initiated via the responsible person of the respective company, with the implementation and effectiveness of the relevant measures being reviewed.

Moreover, aspects that go beyond the minimum legal requirements are also checked by means of targeted control questions. These can likewise trigger the introduction of preventive measures as well as a review of their effectiveness.

### Priority risks

Within the scope of our corporate activities, both human rights and environmental risks exist above all in the upstream value chains. A non-negligible number of our products or product raw materials are sourced from countries in which compliance with the rule of law is not or only insufficiently guaranteed. We recognise that children, women, indigenous communities and migrant workers can be particularly affected by human rights violations. In some supply chains, we perceive a high risk in the area of child and forced labour, discrimination as well as working hours and remuneration. **For instance, we see a current need for action in fruit or coffee/tea/cocoa;** EDEKA has already implemented measures here and will continue to extend them in the future.

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## 5 Preventive and remedial measures for suppliers and commodity groups with particular risks

In general, suppliers' compliance with human rights and applicable laws is a prerequisite for supplying EDEKA.

Within the scope of its General Terms and Conditions, EDEKA requires its business partners to comply with minimum social standards (for further information see <https://verbund.edeka/verantwortung/handlungsfelder/sortiment/sozialstandards.html>)

As an essential preventive measure, EDEKA has set up the procedure described above for identifying risks and taking measures for direct and indirect suppliers. This also includes the binding agreement of the Code of Conduct.

In commodity groups with a high probability of risk, preventive measures are implemented in the form of certification systems, hedging initiatives and projects that are continuously further developed. For example, the non-food (e.g. textiles) and imported food (dried fruit and canned goods) sectors are covered by the Amfori Business Social Compliance Initiative (BSCI). Only products that are monitored by Amfori BSCI or comparable organisations or standards (SA8000, SMETA Ethical Trading Initiative, Rainforest Alliance, Fair Trade) may be listed here. EDEKA only purchases cocoa if it has Rainforest Alliance or Fairtrade certification. In the fruit and vegetable sector, compliance with the Global GAP GRASP standard is a minimum requirement for procurement by EDEKA.

Within the scope of projects, EDEKA HQ – simultaneously on behalf of all EDEKA Group companies – enters into direct exchange with suppliers and producers in order to uncover and minimise human rights and environmental risks in production facilities and in agricultural cultivation. For instance, EDEKA works

with banana farmers in Ecuador and Colombia to establish sustainable water management, improve biodiversity and reduce CO<sub>2</sub> emissions. The farmers have their staff trained in labour law. All workers receive social benefits and are in regular employment. They obtain access to drinking water. In addition, showers and washrooms were renovated, occupational health and safety was also made standard during field work, and first aid training and prevention programmes (e.g. against excessive alcohol consumption) were introduced. The cocoa programme “Cocoa For Future” also focuses on the interlinking of social and environmental aspects by improving the growing conditions for cocoa trees through the promotion of agroforestry and thus simultaneously opening up additional sources of income for farmers.

## Presentation of the complaint procedure

The company has established a complaints procedure. Via a whistleblower platform (<https://sicher-melden.de/EDEKA-Verbund>) operated by the law firm eagle lsp in Hamburg in cooperation with the IT service provider Otris, whistleblowers at all levels of the distribution chain can submit information anonymously or by disclosing their identity. The complaints procedure is described in more detail in the rules of procedure available on the website ([humanrights.edeka](https://humanrights.edeka)). Whistleblowers can also use the platform to give anonymous feedback on how to improve the platform. Such indications are treated in the same way as indications of (possible) violations of human rights and environmental due diligence.

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# 7 Responsibilities

In day-to-day business, control and monitoring of the human rights and environmental protection strategy is the responsibility of the LkSG manager.

The obligation to implement the relevant measures ultimately falls within the areas of responsibility of the respective operationally active departments.

# Documentation and reporting obligation

The LkSG report for the year 2023 is required to be made available and published in due time in accordance with the relevant legal requirements, taking account of the Federal Office for Economic Affairs and Export Control (BAFA) handout.

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Hamburg, 01.01.2023



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