

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

We, a company of the EDEKA Group, including the companies affiliated with us under German stock corporation law, 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
- 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
- United Nations Guiding Principles on Business and Human Rights
- 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 co-operation with the World Wide Fund for Nature (WWF) is particularly worth mentioning here.

Within the scope of this strategic partnership, numerous contractual goals for more environmental, climate and species protection are defined.

# 1

## Expectations of employees and business partners

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

To this end, the companies of the EDEKA Group have defined a **Code of Conduct** that reflects these expectations and can be accessed via the website [humanrights.edeka](https://humanrights.edeka.de).

This Code of Conduct is binding for our employees and is agreed upon with EDEKA's suppliers as a binding remedial or preventive measure where necessary.

# 2

## Risk analyses and measures for suppliers

The companies of the EDEKA Group have set up a joint service for risk analysis and the initiation of measures with regard to suppliers.

Their common stance and concerted action enable 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 the first step, all suppliers are evaluated according to their locations and product ranges, taking into account global databases on human rights and environmental aspects. 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 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 enable 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 potential risks or violations in the case of indirect suppliers. This ensures that maximum effects are achieved.

# 3

## Risk analyses and measures for own business areas

The companies of the EDEKA Group that fall within the scope of application of the German Supply Chain Due Diligence Act ("LkSG") set up their own evaluation procedure for the consideration of risks within their own business area.

This procedure is based on a comprehensive questionnaire relying on guidance on the human rights and environmental risks mentioned in Section 2 (2) of the LkSG.

By setting up a separate procedure for risk analysis, the locations of the individual subsidiaries (at home or, if applicable, 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 that falls within the scope of application of the LkSG, taking 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 the companies of the EDEKA Group.

The risk analysis in the own business area is not only based on the human rights violations and environmental damage to be remedied, which are listed in the LkSG; it 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 the own business area, 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 subsequent review of their effectiveness.

## Priority risks

Within the scope of our corporate activities, human rights or 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 are aware that children, women, indigenous communities and migrant workers can be particularly affected by human rights violations. In some supply chains, we recognise 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/vegetables or coffee/tea/cocoa as well as cut flowers;** companies of the EDEKA Group have already implemented measures here and will continue to extend them in the future.

# 4



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## 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 companies of the EDEKA Group. Within the scope of the General Terms and Conditions, compliance with minimum social standards is a binding requirement for business partners (for further information, see

<https://verbund.edeka/verantwortung/handlungsfelder/sortiment/sozialstandards.html>

As an essential preventive measure, we participate in the joint service described above for risk analysis and the initiation of measures with regard to direct and indirect suppliers. If risks are identified, this also includes the conclusion of a supplementary agreement with the supplier, which obliges the latter to comply with the Code of Conduct of the companies of the EDEKA Group, inter alia.

In commodity groups with a high probability of risk, preventive measures are implemented in the form of certification systems, initiatives and projects. 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. Own-brand textiles with a minimum cotton content of 70% must also be certified in accordance with the Global Organic Textile Standard (GOTS). Own brands of cocoa and coffee are only purchased if they are Rainforest Alliance or Fairtrade certified.

In the fruit and vegetable sector, compliance with the Global GAP GRASP standard is a minimum requirement for EDEKA procurement.

The measures are continuously being developed in order to achieve a holistic transformation along our value chain.

This level of ambition is also reflected in the contractual annexe "Product Requirements Sustainability", which is agreed with own-brand suppliers. This annexe includes further social and environmental requirements that we accompany suppliers in implementing, for example, the conversion of our green and black tea range to Fairtrade or Rainforest Alliance and the certification of flowers and plants by Fairtrade or MPS-Socially Qualified. For regional suppliers, deviating individual measures can be taken in particular cases.

Within the scope of projects, EDEKA ZENTRALE Stiftung & Co. KG ("EDEKA headquarters") – simultaneously on behalf of all EDEKA Group companies – enter into direct exchange with suppliers and producers in order to uncover and minimise human rights and environmental risks in production facilities and agricultural cultivation. Representatives from the sustainability department are on-site at least once a year.

For instance, EDEKA headquarters works with banana farms in Ecuador, Colombia and other countries to establish more sustainable water management, improve local biodiversity and reduce CO2 emissions. The implementation of training courses is firmly anchored in the banana project's catalogue of measures. The training courses explain workers' rights and raise awareness of important issues such as gender equality and the prohibition of child labour. Farm staff also learn how to handle agrochemicals, machines and tools safely and how to use personal protective equipment correctly. All workers receive social benefits and access to drinking water. They are also in regular employment relationships. The cocoa programme "Cocoa For Future" also focuses on the interlinking of social and environmental aspects: By promoting agroforestry, the growing conditions for cocoa trees are improved; at the same time, additional sources of income can be developed for farmers in this way.



# 6

## Presentation of the complaint procedure

The company has established a complaints procedure. Via a browser-based reporting platform which can be accessed via the website [humanrights.edeka](https://www.humanrights.edeka.de), complaints at all levels of the supply chain can submit information anonymously or by disclosing their identity in various languages. The complaints procedure is described in more detail in the rules of procedure available on the website mentioned above.

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## Responsibilities

The Management Board is responsible for compliance with the policy statement on the company's human rights and environmental protection strategy. The LkSG officer is responsible for managing and monitoring the procedures with which the company fulfills its obligations under the LkSG.

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## Documentation and reporting obligation

The annual LkSG report will be prepared and published on time, in accordance with legal requirements and with reference to the guidance issued by the Federal Office for Economic Affairs and Export Control (BAFA).

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Hamburg, 01.09.2024

