



POLICY STATEMENT

**on the Company's Human Rights and
Environmental Protection Strategy**



EDEKA Unternehmensgruppe
Nordbayern-Sachsen-
Thüringen



We – the EDEKA Unternehmensgruppe Nordbayern-Sachsen-Thüringen (this includes the EDEKA Nordbayern-Sachsen-Thüringen eG and the EDEKA Nordbayern-Sachsen-Thüringen Stiftung & Co. KG including all affiliated subsidiaries) – are committed to respecting human rights and protecting the environment. Our actions are based on internationally recognised standards frameworks and principles to protect human rights and the environment.

These include in particular:

- Universal Declaration of Human Rights with the Civil and Social Covenant of United Nations.
- Conventions and recommendations of the International Labor Organization Labor and social standards, the universally applicable so-called ILO core labor standards for the abolition of child labor, forced labor and discrimination and to ensure freedom of association and justice on collective bargaining.
- United Nations Guiding Principles on Business and Human Rights.
- Guiding Principles for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD).
- United Nations Convention on the Rights of the Child.
- United Nations Convention on Women's Rights.

The protection and preservation of the natural basis of life affects and obliges us all. With this awareness, we carry out our business activities taking ecological aspects into account and are committed to the long-term goal of a climate-neutral future. In the field of environmental protection, we work together with numerous international organizations through the EDEKA Zentrale Stiftung & Co. KG. In particular, the cooperation with the World Wide Fund for Nature (WWF) should be mentioned here. As part of this strategic partnership, EDEKA and WWF have contractually agreed targets for more environmental, climate and species protection.





EXPECTATIONS FOR EMPLOYEES AND BUSINESS PARTNERS

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

In addition to our internal compliance requirements, we have published a Code of Conduct that reflects these expectations.

Our guideline is mandatory for our employees and, where necessary, is agreed as a binding preventive measure with our business partners.



Risk analyses and measures for suppliers

The EDEKA Group has set up a joint service for risk analysis and the initiation of measures for business partners. The joint appearance and action of the various EDEKA units enables a better and deeper understanding of the specific risks of a supplier and a more effective implementation of measures if critical risks should be identified.

In a first step, all business partners are evaluated according to their locations and product ranges or services, considering global databases on human rights and environmental aspects (so-called gross risk). Business partners with a high gross risk are examined in more detail based on other sources of information, such as press or company reports.

If significant risks have been identified, business partners are prioritized. As a result of classifying the extent of damage, EDEKA uses trained experts to develop risk-reducing measures for and with the business partner.

This also includes, for example, that business partners are asked to accept the guideline for compliant behavior (Code of Conduct) as binding. The successful implementation of the measures is monitored using a separate system and, if necessary, escalated by a dedicated team. The systematic recording and tracking enable the results of these risk analyzes and measures to be considered when selecting business partners in the future. In addition to the existing knowledge of the type and scope of the business activities of the business partners, any need for action in the case of indirect business partners is also used for prioritization. This ensures that maximum effects are achieved.

Risk analyses and measures for our own business area

The EDEKA Unternehmensgruppe Nordbayern-Sachsen-Thüringen has set up its own evaluation procedure for considering the risks within its own business. This procedure is based on a comprehensive questionnaire, which is based 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 individual subsidiaries and company-specific risks can be checked in a targeted manner. A separate risk analysis is carried out for each company relevant in the sense of the LkSG. This considers the location (country), the type and scope of the relevant business activity, the severity of the possible infringement of the protected legal interest in terms of the degree and number of those affected, as well as its irreversibility, the scope for influence and EDEKA's contribution to the cause.

The risk analysis in our own business is not only based on the human rights violations and environmental damage to be remedied that are listed in the LkSG, but also applicable national laws are considered, which are relevant in the context of the human rights and environmental risks mentioned in Section 2 (2) of the [German] Supply Chain Sourcing Obligations Act (LkSG).

If a potential risk or violation is identified in one's own business, the responsible person in the relevant company initiates appropriate preventive and remedial measures immediately. Their implementation and effectiveness will be checked.





Priority Risks

A non-negligible number of our products or product raw materials come from countries where there is a risk that compliance with the rule of law is not or only insufficiently guaranteed. We recognise that human rights violations can particularly affect children, women, indigenous communities and migrant workers.

In some supply chains, we see an increased risk in the areas of child and forced labor, discrimination, and working hours and wages. For example, we see a current need for action regarding fruit or coffee/tea/cocoa. Payment is an example here. Agricultural raw materials are usually not processed in the countries where they are grown, so that the opportunity for higher added value and thus also appropriate remuneration is lost. As a group, EDEKA is already taking measures such as the exclusive purchase of certified cocoa (Rainforest Alliance/UTZ, Fairtrade) and will continue to expand these in the future.

In the case of our regional suppliers and service providers, we see questions mainly relating to labor law issues. For this reason, personnel service providers, for example, are always checked for safety before the contract is awarded.

Preventive and remedial measures for suppliers and product groups with special risks

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In general, compliance with human rights and applicable laws by suppliers is a prerequisite for supplying EDEKA. As an essential preventive measure, the EDEKA Unternehmensgruppe Nordbayern-Sachsen-Thüringen participates in the above-described procedure for risk assessment and taking measures for direct and indirect suppliers.

In product groups with a high probability of risk, preventive measures are implemented in the form of certification systems, protection initiatives and projects, which are continuously developed. For example, the non-food (e.g. textiles) and imported food (dried fruit and canned goods) product areas are protected by the Amfori Business Social Compliance Initiative (BSCI). Only products that are monitored by Amfori BSCI or comparable organizations or standards (SA8000, SMETA Ethical Trading Initiative, Rainforest Alliance, Fairtrade) may be listed here. Cocoa is only purchased by EDEKA if it has Rainforest Alliance or Fairtrade certification. In the area of fruit and vegetables, compliance with the requirements of the Global GAP GRASP standard is the minimum requirement for purchase by EDEKA.

These measures are introduced, implemented and monitored in the purchasing process of EDEKA Zentralhandelsgesellschaft mbH, our preliminary stage.

Within the framework of projects, the EDEKA ZENTRALE Stiftung & Co. KG - also on behalf of all companies in the EDEKA group - enters direct contact with suppliers and producers in order to uncover human rights and environmental risks in production facilities and in agricultural cultivation and to minimize. Examples and further information on the projects can be found at:

<https://verbund.edeka/verantwortung/handlungsfelder/gesellschaft/menschenrechte/>





Description of the complaints procedure

The EDEKA Unternehmensgruppe Nordbayern-Sachsen-Thüringen has set up a complaints procedure. Via a barrier-free whistleblower platform (<https://sicher-melden.de/EDEKA-Verbund>), whistleblowers at all stages of the supply chain can submit information anonymously or with disclosure of their identity. The complaints procedure will be in a via the website <https://verbund.edeka/verantwortung/handlungsfelder/gesellschaft/menschenrechte/> retrievable rules of procedure presented in more detail. Whistleblowers can also use the system to provide anonymous feedback on how to improve the platform. Appropriate notices are treated procedurally in the same way as indications of (possible) violations of human rights and environmental due diligence.

Responsibilities

In day-to-day business, the human rights officer is responsible for controlling and monitoring the human rights and environmental protection strategy (contact: WUE-LKSG-NST@edeka.de). The obligation to implement it ultimately falls within the areas of responsibility of the relevant operational departments.

Documentation and reporting

The LkSG report for the year 2023 is published in accordance with the legal requirements, considering the guidelines of the [German] Federal Office of Economics and Export Control (BAFA) at <https://verbund.edeka/nordbayern-sachsen-thueringen/verantwortung/menschenrechte> made available and published.



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