



POSITION

REGARDING LIVING WAGES AND
LIVING INCOMES





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PREFACE

DEAR READERS,

Social responsibility is an integral part of our cooperative identity. In this position paper, we set out how we fulfil our responsibility for living wages and incomes throughout our supply chains – in collaboration with our partners and with the aim of contributing, step by step and effectively, to better living and working conditions.

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.





INTRODUCTION

Social and societal responsibility have always been closely associated with the EDEKA name and are key elements of our cooperative mission and mandate. In line with the United Nations Guiding Principles on Business and Human Rights, we see it as our responsibility to respect human rights, prevent human rights violations and promote fair working conditions – both in our own business activities and along our supply chains.

Accordingly, EDEKA is committed to contributing to appropriate living and working conditions worldwide through specific initiatives and projects. Our commitment in our supplier countries is a crucial step towards bringing about sustainable change.

We are aware of our responsibility as a leading food retailer in Germany and are committed to ensuring living wages and incomes as well as better working conditions along all global supply chains.

Overall, it is very important to EDEKA that the products we sell are manufactured, produced or harvested under good ecological and social conditions.

**EDEKA IS COMMITTED TO IMPROVING LIVING AND
WORKING CONDITIONS WORLDWIDE THROUGH CONCRETE
INITIATIVES AND PROJECTS.**

POSITION AND COMMITMENT

EDEKA recognises the right of every person to receive a living wage or a living income for their work¹.

The concepts of a living wage and a living income aim to ensure an adequate standard of living for households.

An adequate standard of living includes nutritious food, safe housing, other costs (transport, education, health, clothing) and savings for unforeseen events such as accidents or storm damage.

ELEMENTS OF AN ADEQUATE STANDARD OF LIVING

Nutritious food



Safe housing



Other costs
such as transportation,
education, health, clothing



Reserves for unforeseen events

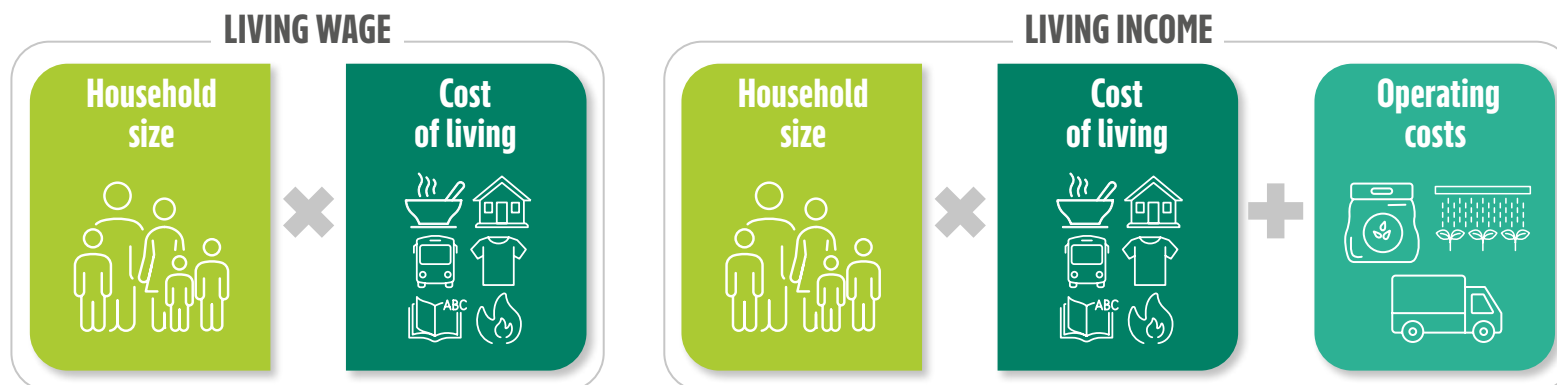


¹ Universal Declaration of Human Rights, Article 23, Paragraph 3: Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

EDEKA IS COMMITTED TO IMPROVING

WAGE AND INCOME SITUATIONS AT VARIOUS LEVELS.





**WE ARE INITIALLY FOCUSING
OUR ACTIVITIES ON OUR OWN BRAND
RANGE AND ON THE SUPPLY
CHAINS OF PARTICULARLY CRITICAL
RAW MATERIALS.**

Living wages and incomes are based on the costs of an adequate standard of living in a particular region. The living wage is applied to dependent employees. This includes the wage they receive for a regular working week at a specific location, and which allows them and their families to enjoy an adequate standard of living there².

In contrast, the living income applies to self-employed persons, who do not receive any wages. It represents the annual net income of a household at a specific location (including all domestic and non-domestic sources of income) that is sufficient to enable all members of the household to enjoy an appropriate standard of living².

The causes of wages and incomes that do not secure a living are usually complex, and the influence of individual actors is limited. We at

EDEKA are therefore committed to improving the wage and income situation of those affected at various levels, focusing on areas where we see high risks for those affected and where we can make an effective contribution.

We therefore initially focus our activities on our private-label range and on the supply chains for particularly critical raw materials. In addition, EDEKA recognises the potential of existing industry and multi-stakeholder initiatives in which structural challenges can be tackled more effectively and targeted measures initiated in collaboration with other actors.



² Definition according to the Global Living Wage Coalition

PROCUREMENT PRACTICES AND CO-OPERATIVE VENTURES

EDEKA has identified various areas in which the wage and income situation of those affected can be improved:

Reflecting on and reinforcing responsible procurement practices

EDEKA's procurement strategies and practices can influence the wage and income situations in supply chains. We acknowledge our responsibility in this regard and therefore regularly review existing business processes and contractual terms and conditions. In doing so, we identify potential improvements and then implement them.

Extending co-operative ventures with other stakeholders

To sustainably improve wage and income situations in our supply chains, co-operation with stakeholders along the entire supply chain is essential. As a company operating with a nationwide reach, EDEKA has only limited influence on global value chains. That is why we work together with other stakeholders (e.g., direct suppliers, civil society actors and competitors) in industry and multi-

stakeholder initiatives engaged in the field of living wages and incomes.

This includes, for example, participation in existing initiatives such as the Forum for Sustainable Cocoa and the Forum for Sustainable Palm Oil, co-operation with standard-setting organisations such as amfori or Fairtrade, and the use of the relevant certification systems and standards.

For example, minimum standards have been defined in the product requirements for sustainability with regard to the use of certification systems, which are binding as an element of the contracts between EDEKA and private label suppliers.

**EDEKA HAS IDENTIFIED VARIOUS AREAS
WHERE THE WAGE AND INCOME SITUATIONS
OF THOSE AFFECTED CAN BE IMPROVED.**



TRANSPARENCY AND PILOT PROJECTS

Enhancing transparency and expanding existing pilot projects

A key element in assessing the wage and income situation of those affected is the collection of information and data. To gain a better understanding of the interrelationships, EDEKA works on pilot projects to achieve greater transparency in wage and income structures. To this end, existing projects are expanded thematically and additional

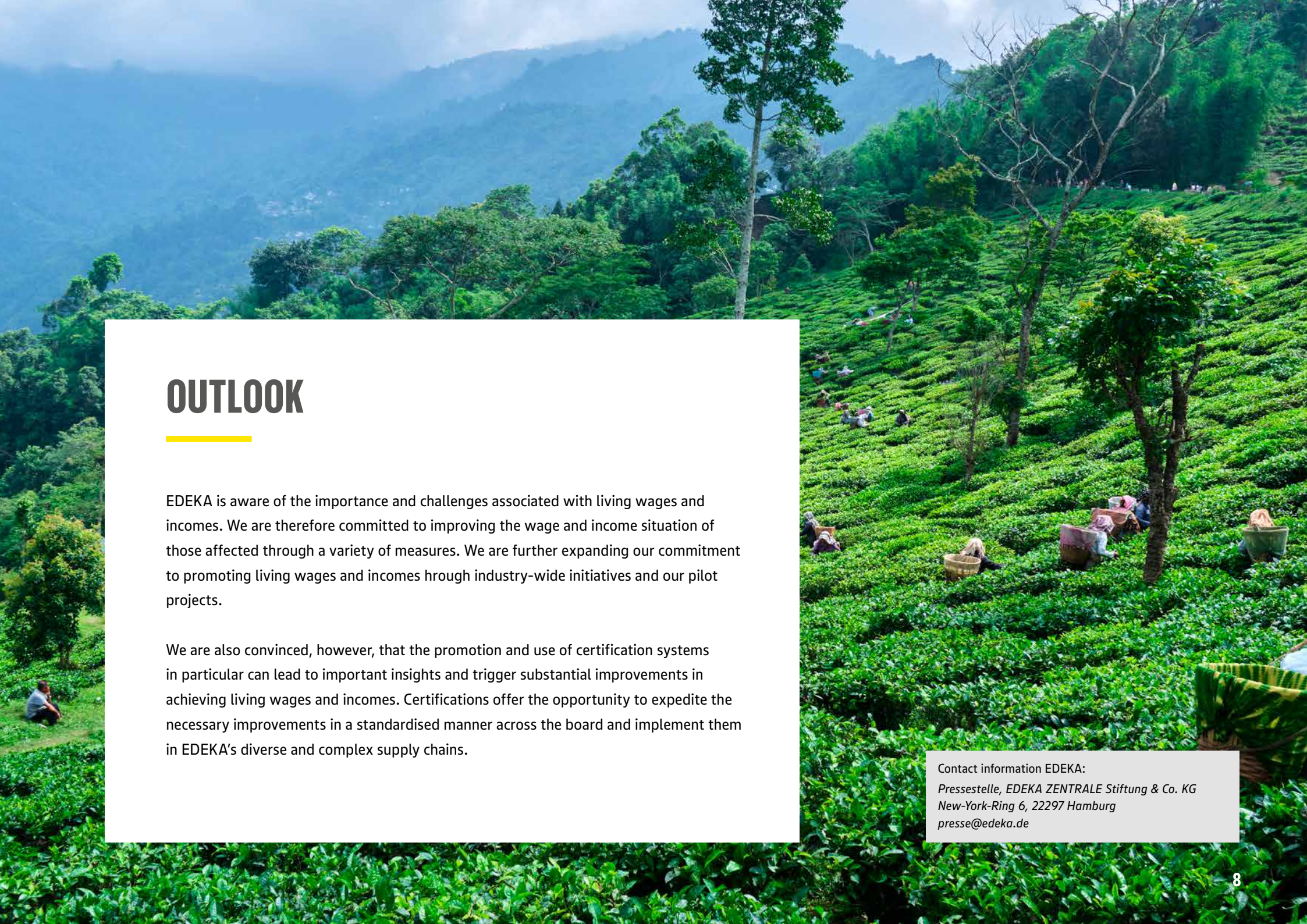
aspects relating to living wages and incomes are included.

As part of the project launched in 2014 to further promote sustainable cultivation of conventional bananas, the collection and analysis of wage data from individual suppliers is being tested with the aim of identifying and addressing existing wage gaps.

Another example is the Cocoa For Future initiative launched by the EDEKA Group, which has been working since 2021 to support cocoa farmers socially and economically. This is achieved, among other things, through agroforestry methods that provide additional sources of income and increase the productivity of cocoa plants.

**EDEKA IS WORKING ON PILOT PROJECTS
TO ACHIEVE GREATER TRANSPARENCY IN WAGE
AND INCOME STRUCTURES.**





OUTLOOK

EDEKA is aware of the importance and challenges associated with living wages and incomes. We are therefore committed to improving the wage and income situation of those affected through a variety of measures. We are further expanding our commitment to promoting living wages and incomes through industry-wide initiatives and our pilot projects.

We are also convinced, however, that the promotion and use of certification systems in particular can lead to important insights and trigger substantial improvements in achieving living wages and incomes. Certifications offer the opportunity to expedite the necessary improvements in a standardised manner across the board and implement them in EDEKA's diverse and complex supply chains.

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