

# Change & Opportunity

**united at heart.**



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## 2022 IN RETROSPECT

Rising inflation, bottlenecks in supply chains, a shortage of skilled workers – the list of challenges grew even longer last year. Global disruptions like the war in Ukraine also have a negative impact on consumers. They increasingly feel forced to make a choice when shopping – between responsible enjoyment on the one hand and the best price on the other.

The approximately 3,500 independent EDEKA retailers are very much aware of the concerns and wishes of their local customers. The EDEKA store has been a companion for life for generations, in every neighbourhood. By offering a variety of products, combined with the expertise of its staff, EDEKA is unmatched in its ability to reconcile seemingly contradictory factors, thus relieving people of some of their burden of conflict: maximum enjoyment with a clear conscience, at the best prices.

**United at heart** – the current campaign umbrella of the EDEKA Group is the perfect way to characterise what happened in 2022, not least in the way our cooperative cohesion made us come through as a community in solidarity. By being united and working together, the EDEKA Group once again succeeded in maintaining its leading position in Germany's food retail sector, even in this challenging environment.

# THE EDEKA GROUP PROFILE

Despite facing a challenging market environment, the EDEKA Group managed to boost its sales by 5.6 per cent in 2022. The discount segment showed a particularly strong performance. With a total of 233 new stores opened and 4,000 additional employees, the Group remains Germany's largest private-sector employer.



**3,500**

**SELF-EMPLOYED RETAILERS**

They embody the core of the EDEKA Group's brand: high-quality products and services, proximity to customers, and a commitment to their regions.



**408,900**

**EMPLOYEES**

deliver an outstanding performance day after day to ensure that the EDEKA Group can maintain its leading position in Germany's food retail sector.



**19,260**

**APPRENTICES/TRAINEES**

took the opportunity to launch their career within the EDEKA Group. We wish you a warm welcome!

**1,000**

**Exclusive brand products**



**2,500**

**EDEKA products**

**2,665**

**GUT&GÜNSTIG products**

## FULLY ON TREND

From staple products right through to the premium range – the availability of private labels at the stores has increased noticeably over the past year. Which should come as no surprise, because they are not only superior to comparable brand-name articles in terms of price, but often also in terms of quality and sustainability.

**4,304**  
**Netto Marken-Discount branches**



**1,015**  
**directly managed retail stores**

## SUPERMARKETS!

They ensure a high-quality local supply throughout Germany – with variety, local origin and freshness.

**5,758**  
**independent retail stores**



**66.2** **BN €**

## TOTAL SALES

A positive overall performance at all tiers of the EDEKA Group – in addition to the independent retailers, it was Netto Marken-Discount in particular who emerged as the strongest driver for growth during the last financial year.

## TURNOVER GROWTH\* IN THE EDEKA GROUP, IN BN EUROS

| * turnover                    | 2021        | 2022        | %            |
|-------------------------------|-------------|-------------|--------------|
| INDEPENDENT RETAILERS         | 34.7        | 36.5        | + 5.2        |
| DIRECTLY MANAGED RETAIL TRADE | 9.0         | 8.8         | - 2.8        |
| NETTO MARKEN-DISCOUNT         | 14.7        | 15.8        | + 7.6        |
| BAKERY RETAIL TRADE           | 0.4         | 0.6         | + 24.4       |
| RETAIL FOOD SECTOR            | 58.8        | 61.6        | + 4.7        |
| C+C I EDEKA FOOD SERVICE      | 2.5         | 2.9         | + 18.4       |
| E-COMMERCE SALES              | 0.2         | 0.1         | - 14.7       |
| INTERNATIONAL OFFSET TURNOVER | 0.1         | 0.2         | + 98.1       |
| CUSTOMER SALES                | 1.2         | 1.4         | + 17.1       |
| <b>EDEKA GROUP TOTAL</b>      | <b>62.7</b> | <b>66.2</b> | <b>+ 5.6</b> |



**MARKUS MOSA**

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

# ENTREPRENEURSHIP— MORE IMPORTANT THAN EVER

been eroded significantly, with many people being forced to buy less and, above all, cheaper. These are facts that we need to face.

**Are you nevertheless confident in your outlook for the future?**

MOSA In 2022 we experienced the direct consequences of the developments mentioned. While we did manage to generate further growth in a difficult environment, with our total turnover increasing by 5.6 per cent to 66.2 billion euros, the rate of growth fell short of the momentum of the preceding years. For the first time our discount business with Netto Marken-Discount saw a surge in relation to our traditional core activities, the full-range business with the EDEKA supermarkets and consumer markets. This was clearly a result of the change in consumer needs. But this is precisely the kind of development we can adapt to, and I am confident that we will manage to do so even better in the new year. After all, we think like entrepreneurs. No other form of organisation in our economic system is as capable of constantly reinventing itself and taking on challenges as the cooperative structure.

**What are the aspirations, what is the goal?**

MOSA Our ambition for the EDEKA Group must continue to be to ensure a varied supply of high-quality, responsibly produced groceries for the people

Despite a challenging market environment, the EDEKA Group managed to maintain its leading position in the German food retail market in 2022. The Executive Board of EDEKA ZENTRALE Stiftung & Co. KG comments on the current situation and the strategic direction for the future of the Group.

**Mr Mosa, 2022 was undoubtedly a difficult year for Germany's retail trade. How do you assess the situation?**

MARKUS MOSA That is correct. After two years impacted by the Corona pandemic, the Russian attack on Ukraine changed everything. Supporting the people affected in Ukraine was and is of paramount importance. But the consequences have also been severe for the German economy. The first shock was the threat of gas shortages and skyrocketing energy prices, which endangered the existence of many small and medium-sized enterprises. Next came the massive upheavals in the international commodities markets. All this is combined with a sharp decline in the industry's ability to maintain supplies. In autumn, inflation reached more than ten per cent, the highest level recorded in the past 70 years. The purchasing power of consumers has

**» WE THINK LIKE ENTREPRENEURS. NO OTHER FORM OF ORGANISATION IN OUR ECONOMIC SYSTEM IS AS CAPABLE OF CONSTANTLY REINVENTING ITSELF AND TAKING ON CHALLENGES AS THE COOPERATIVE STRUCTURE. «**

MARKUS MOSA

in Germany, and to do so at the best-possible prices. It is within our power to reconcile the apparent contradictions: to provide an enjoyable, service-oriented shopping experience combined with value for money in all product ranges.

**Mr Scholvin, cost pressures are continuing to increase, and not only in the food retail sector. This also has an effect on the investment climate. Does this mean we have gone as far as we can for the time being?**

MARTIN SCHOLVIN On the contrary: our aim for the current year is to set a new record in terms of our investments. The total volume that our Group of companies will be investing in 2023 – in the logistics infrastructure and our production facilities, in increasingly energy-efficient stores and specialist store concepts, in more sustainable product ranges and in the digital transformation – is around three billion euros. And then we are also investing in people, in our teams, at all three tiers of our Group. This strategy enables us to steadily open up additional entrepreneurial scope for the EDEKA retailers; we are reinforcing their competitiveness and creating further prospects for growth.

**Mr Mosa, there is no way to overlook the fact that, given the high inflation, customers are paying more attention to price than ever before.**

MOSA Yes, that is true, but EDEKA customers do not need to take an additional trip to the discount outlet, because at every EDEKA store they can find more than 7,000 products on sale at discount prices. Nor do they have to go to specialist stores, because we also offer those product ranges: with our service counters for meat, cheese and fish, our bakeries and bakery shops, and with our NATURKIND worlds that offer genuine specialist organic retail quality. And all of it under one roof, at the EDEKA store. Netto Marken-Discount also has a significantly broader range of products than rival discounters, something customers greatly appreciate.

**So how does the EDEKA Group manage to ensure that it can offer customers value for money in the long run?**

MOSA Our product ranges are absolutely competitive in terms of pricing. The national and regional private label programmes make a vital contribution in this regard.

In 2022 the demand for our private-label articles truly went through the roof. Our customers know that the quality offered in our private labels is at least equal, but often even better than that of comparable brands – and at significantly lower prices. And in the business with branded products, we are also unequivocally on the

**» EDEKA AND NETTO MARKEN-DISCOUNT REPRESENT SECURE EMPLOYMENT, WITH HIGH-GROWTH STORE FORMATS. WE CAN OFFER A UNIQUE CAREER PATH, FROM TRAINEESHIP RIGHT UP TO INDEPENDENCE WITH AN OWNER-OPERATED SUPERMARKET. «**

MARTIN SCHOLVIN



**MARTIN SCHOLVIN**

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

side of the consumers. Unjustified price hikes stand no chance with us. In spite of rising prices, EDEKA is making significant investments to keep prices for groceries as stable as possible. We call on the branded-products industry to live up to its responsibility and stop artificially driving up inflation.

**Mr Meineke, the subject of prices was also the focus of communications throughout the Group last year.**

CLAAS MEINEKE Yes, that is correct. With our campaign “In jedem EDEKA steckt ein Discounter” (“There’s a discounter inside every EDEKA store”) we put our value-for-money reputation front and centre in 2022. This effort was supported by regional campaigns such as “Inflation Stop.” And it is still enormously important to keep reminding our price-sensitive customers of this fact, across all channels. We are already the shopping venue that offers the most enjoyable experience. But we still have to improve in terms of the price perception by our customers. This also includes making this core message a continuous experience at the stores and across all product ranges.

## CLAAS MEINEKE

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



**In what way does the current EDEKA campaign “United at heart” convey this approach?**

MEINEKE Under our brand umbrella as a full-range food retailer, we put what is seemingly impossible into practice. We are reconciling seemingly contradictory values, such as reasonably priced products, quality and variety. At EDEKA, low prices and exquisite taste are two sides of the same coin. Moreover, backed by our private labels, our product ranges are becoming ever more

**» WE ARE ALREADY THE SHOPPING VENUE THAT OFFERS THE MOST ENJOYABLE EXPERIENCE. BUT WE STILL HAVE TO IMPROVE IN TERMS OF THE PRICE PERCEPTION ON THE PART OF OUR CUSTOMERS. «**

CLAAS MEINEKE

sustainable. At EDEKA, panda bears and smart spenders get along famously. Extending our successful partnership with the WWF for another ten years, as we did in 2022, is therefore only the logical next step. Today’s food culture gives people maximum enjoyment with a clear conscience, at the best price. That is the core message of our “United at heart” concept.

**Mr Scholvin, you already mentioned the people working for the EDEKA Group. Is EDEKA also feeling the effects of the shortage of skilled workers?**

SCHOLVIN Yes, that certainly is the case. Especially in the retail sector, and here in the area of service personnel. Generally speaking, however, we continue to be successful in attracting young talent and professional staff to our Group. We do, after all, have some compelling arguments on our side: EDEKA and Netto Marken-Discount represent secure employment, with high-growth store formats. We can offer a unique career path, from traineeship right up to independence with an owner-operated supermarket. Plus, employees across the board benefit from flexible working models and attractive remuneration.

**Mr Mosa, what are your expectations for the current financial year?**

MOSA The situation remains challenging. But I am confident that together we can seize and exploit all the opportunities that come our way. Our focus is on maximum customer centricity, and we want to continue to drive innovation and sustainability in our supply chains. The key factor in this endeavour is and will remain the energy of some 409,000 colleagues working in all tiers of the organisation. It is to them that we want to take this opportunity to express our special gratitude. We are a strong team, at all levels and in all of the Group’s companies – and this is something we will always be able to rely on in the future.

## UWE KOHLER

Independent retailer and Chairman of the Board of Trustees of EDEKA ZENTRALE Stiftung and Chairman of the Executive Board of EDEKA ZENTRALE Stiftung & Co. KG



## FOCUSED, FAIR, RESPONSIBLE

Who could have seen this coming in early 2022: after two years of the pandemic, something like a spark of hope for a return to normality came back to life in the hearts of many people. And then the war of aggression initiated by Russia and the associated humanitarian catastrophe in Ukraine have changed everything, again. For over a year now, the greatest threat since the end of the Second World War has been looming over Europe. The effects are also felt in this country. It is not only the German food retail sector that is faced with a volatile mix of geopolitical instability, a lack of alternatives in energy policy, and virtually incalculable financial options. It is for dealing with extreme situations like this that the founding fathers of our cooperative group came together.

We here at EDEKA are “united at heart” in more than just a symbolic way. Day-in and day-out, we act in unison, as a sworn community. Focused, fair and responsible. And once again, it was this tremendous team effort that made us strong last year. I would like to express my sincere thanks to all the EDEKA merchants and to the 409,000 colleagues in wholesale and retail throughout Germany for their commitment, loyalty and staying power under these extremely difficult conditions. Our shared ambition is to provide all consumers at our stores with what they need, every single day. This is the soul of the full-range food retailing system. EDEKA’s DNA. Limiting our retail services in the face of unprecedented challenges simply makes no sense. We are capable of providing value for money as well consumer enjoyment, local sourcing (regionality), and a whole lot more. That is the core of our brand. And it is what our customers are entitled to expect from us, always and at any time.



During tricky times, the cooperative principle tends to prove its worth – as happened once again in 2022. With entrepreneurial drive and a strong focus on customers, the independent retailers in the EDEKA Group took on the challenges that arose last year.

# VARIETY CALLS FOR MUCH LOVE TO DETAIL

During the last financial year, the approximately 3,500 independent retailers in the EDEKA Group found themselves on the horns of a dilemma in multiple ways: on the one hand, they had to take responsible action to keep consumer prices as stable as possible despite inflationary pressure and exploding energy costs. Faced with the rapid rise in the cost of living, value for money became the focus of the work going into the product range as well as in terms of communication. On the other hand, it was equally important to continue to reinforce EDEKA's traditional brand values such as giving personal advice and service at the fresh food counters, local sourcing (regionality) and the commitment to sustainability. Maintaining this balance was therefore what was called for – or in other words: “united at heart”. The same was true for the other sales formats of the EDEKA Group. Total turnover generated by the Group's core sector, food retailing, was up by 4.7 per cent in 2022, to 61.6 billion euros. Netto Marken-Discount, which was in the best possible position to meet the changing demands of consumers, performed particularly strongly in terms of growth.

Efforts to expand the EDEKA Group also picked up speed: a total of 233 retail stores were newly opened over the course of the year – 100 of them at Netto – with an increase in total sales area to 12 million square metres.



## INFLATION DRIVES DISCOUNT GROWTH

The year 2022 was an eventful one for the German food retail sector. Rising inflation had a massive impact on the consumption behaviour of people in Germany – and thus also on the development of sales formats in food retailing. In the two previous years, which were impacted by the Corona pandemic, it was chiefly the

full-range retailers who benefitted from the trust of consumers. This trend was reversed in 2022 with the start of the war on Ukraine and the ensuing price increases for energy and food. According to the market research company GfK, the discounters succeeded in winning back some of the market share they

previously lost. Lower growth was recorded by the supermarkets and hypermarkets. The boom in online food retailing also ebbed somewhat over the course of the year. Specialist retailers suffered the biggest drop in sales – with the exception of drug stores, which were able to almost recoup their 2019 market share.

## STABLE GROWTH

The full-range food business faced major challenges in 2022: among the main ones were the continuing price increases as a result of the Ukraine war. This was compounded by massive delivery failures by the branded-products industry, which repeatedly led to gaps on supermarket shelves. In spite of these challenges, the approximately 3,500 independent EDEKA retailers managed to boost their sales even in this difficult market environment by 5.2 per cent, to a total of 36.5 billion euros – well above the general trend in the full-range segment. The number of independently managed stores rose to a total of 5,758 in the course of the year. Today fewer than 1,000 stores are still directly managed by the seven regional EDEKA wholesalers. Since

**36.5** <sup>+5.2%</sup> **BN €**  
**TURNOVER, SELF-EMPLOYED RETAILERS**

**8.8** <sup>-2.8%</sup> **BN €**  
**TURNOVER OF DIRECTLY MANAGED RETAIL OUTLETS**

many of the directly managed stores were transferred to independent retailers in 2022, as had been done

in previous years, sales in this segment dropped accordingly by 2.8 per cent, to 8.8 billion euros. For the EDEKA Group with its SME structure as a whole, and especially for the independent EDEKA retailers, the skyrocketing prices for electricity and gas since the spring of 2022 led to considerable additional costs, as well as a lack of planning certainty. Retailers procuring gas and electricity via the EDEKA supply company (*Versorgungsgesellschaft*) were able to benefit from the significantly more favourable terms. But the cooperative structure also proved itself once again for all the other retailers: a liquidity programme was set up that allows them to pay off their additional costs spread over several years

## HAND-IN-HAND

All the more positive during a period of inflation and buyers' reluctance: 149 young retailers took the leap into self-employment in the year 2022 and made their wish of owning their own EDEKA store come true. In accordance with its cooperative mission, the EDEKA Group traditionally welcomes all start-ups with open arms and provides them with comprehensive support as they embark on

their professional future. Alongside the actual grocery business, this support also includes the financial services provided by EDEKABANK and the business management consulting and training services offered by the EDEKA Juniorengruppe e. V. A large part of the start-ups results from privatisations, that is, the transfer of directly managed businesses to self-employed retailers.



## New ideas & traditional values

**united at heart.**



The retailer Serkan Serbes from the Rhine-Ruhr region already had plenty of experience. He had been working for EDEKA since 2007, and right from the start he had been aiming at having his own start-up one day – to have his own store, the realisation of his childhood dream. Together with his more than 70 employees, the Essen-based entrepreneur put a lot of work into modernising his store and revising its product range, in order to offer customers a familiar, sustainable shopping experience.

Run successfully by independent retailers – this also applies to many of the former Kaiser's-Tengelmann locations which the EDEKA Group – or more precisely, the three regional wholesalers Minden-Hanover, Rhine-Ruhr and Southern Bavaria – had acquired in 2017. The locations have since been successfully integrated, and new jobs have been created across the board. After the agreed transition period of five years, a total of 83 of these stores were successfully transferred to independent retailers last year.

**83**  
**FORMER KAISER'S-TENGMANN LOCATIONS WERE TRANSFERRED TO RETAILERS IN 2022**

**56**  
**OF THEM TO START-UPS**



Rocco Klausner from Potsdam already knew "his" store, because he had previously been employed there as a store manager. As its new owner, he is looking forward to be able to redesign the store to give it an even more individual flavour. Firmly rooted in the region, the

retailer attaches great importance to local producers and products from the surrounding region. "The experiences of other EDEKA retailers have proven most valuable and gave me immense confidence during the start-up phase."



**TRAIL-BLAZING:** at the EDEKA Center No. 1 in Berlin-Steglitz, freshness can be enjoyed right on the spot.



**LOCAL BONDS**

Customers at EDEKA Eble in Saarburg can meet their daily needs by purchasing regional products.

**STORES WITH A STRONG ATTRACTION**

The EDEKA Peters store in Niederkrüchten also attracts many customers from the Netherlands just across the border.



**A SPECIAL COMBINATION**

The combination of wine, cheese and competent advice is proving a winner with the customers at EDEKA Ladage in Hemmingen.



# LEAPING INTO UNCHARTED WATERS – AGAIN AND AGAIN

Year after year, EDEKA opens many new stores in the full-range grocery business. In 2022 alone, 133 supermarkets and hypermarkets were newly launched in all regions, and numerous others were expanded and modernised. Yet each location is adapted individually to suit the specific local conditions. The range includes everything from the small neighbourhood store and the convenience-oriented City-Markt to the traditional EDEKA supermarket and the E center hypermarket all the way through to the Marktkauf superstore. Always part of the deal is the wide range of products and extensive services that make shopping an enjoyable experience. In addition to the fresh food counters with their personalised advice, gastronomical services like the EDEKA *Marktküche* (store kitchen) are on offer with increasing frequency. Moreover, whenever EDEKA stores are built or renovated, the use of sustainable architectural principles and resource-saving technologies has now become standard practice.



**AWARD-WINNING PERFORMANCES**

**SUPERMARKET OF THE YEAR**

Remstal store Mack | Weinstadt

**EMPLOYEE OF THE YEAR**

Katrin Zaliwciw-Böhmer Master butcher at EDEKA Stiegler in Frankenthal

**GERMAN FRUIT AWARD**

EDEKA Stiegler in the category "Supermarket" | Frankenthal (Palatinate)

EDEKA Honsel in the category "Small Supermarket" | Dorsten (NRW)

**A CLEAN HAT TRICK**

In 2022, the "GfK Retailer Perception Report" chose EDEKA for the third time in a row as the "Best Food Retailer" in Germany. According to the study, EDEKA scored mainly thanks to outstanding customer loyalty, earned among other things through its special shopping experience, competent staff and attractive product range.

## AWARD-WINNER

It is seen as the most prestigious award in the customer goods sector – the "Goldene Zuckerhut" ("Golden Sugarloaf"). Last year it was awarded for the 64th time in total. The winner this time was Stefanie Brehm, EDEKA retailer of long standing in Berlin. The multi-business entrepreneur set out on her own at the age of 25. Today the 42-year-old manages five stores in the German capital, providing more than 350 employees with secure employment. "Innovative, bold and consistently customer-focused: her stores stand for freshness, convenience, for that little bit extra. Be it an open-design pastry shop, a coffee bean roasting facility, a tapas or tea bar – Brehm's strong sense for what works ensures that the stores are always trendy, yet the quality of the goods always comes first. In Berlin, where competition is tough, EDEKA Brehm has reached cult status in this way," according to the panel of judges.

**Our congratulations!**



# COMPELLING GROWTH

Heightened sensitivity to prices was foremost in the minds of many consumers in 2022. Discount stores in Germany in particular were able to benefit from this and gain a corresponding market share. Within the EDEKA Group, it was Netto Marken-Discount which accordingly recorded impressive growth rates. The subsidiary of EDEKA ZENTRALE increased its turnover from trading operations to a total of 15.8 billion euros, an increase of 7.6 per cent year-on-year (6.2 per cent when measured to comparable sales area). Netto at the same time continued the effort to expand and modernise the network of branches in Germany. Some 100 locations were newly opened in 2022, and 505 branches were modernised. In addition, the discounter stepped up its expansion offensive in 2022 and intensified the



The private label BioBio celebrated its 20-year anniversary, and it is more trendy than ever: organic food does not have to be more expensive.

search for properties and land for new buildings, especially in urban regions. An important factor in Netto's success is the diverse product range of more than 5,000 articles, including a wide selection of branded products at favourable prices. In the last financial year, the focus was again on making the product range more sustainable, and on promoting local agriculture. Some examples:

- **The private label HEIMAT** launched by Netto Marken-Discount in 2022 offers fruit and vegetables with short transport routes, directly from growers within the region.
- **Since September 2022**, Netto has been selling pork under the private label Gut Ponholz, with an entirely German provenance. Netto's 5D label informs customers that the entire pork value chain – from birth, rearing, fattening, slaughtering to processing – takes place in Germany. The conversion of pork in the private-label segment provides targeted support for German piglet farmers.
- **Also since September**, dessert apples from the "Agriculture For Biodiversity" programme are available at Netto. The participating farmers implement a variety of measures on their farms to protect and promote native animals and their habitats.
- **Netto is gradually replacing** its own "Recycling Guides" on the private-label packaging with the information labels about separating waste from the association Trennhinweis e. V. These clear symbols for correct waste separation found on packaging from different manufacturers lets customers see at a glance how packaging should be disposed of.
- **Netto donation initiative:** Thanks to donations from Netto customers at cash registers and deposit machines as well as through corporate donations, numerous non-profit organisations were provided with long-term support in their important work, with a total of more than 2.6 million euros raised in 2022.



Last year a large number of customers again found the innovative Pick&Go concept compelling.



You can find out more about autonomous shopping here.

## CLEVER, CHARMING, IN TOUCH WITH CUSTOMERS – LISA

Achieving greater proximity to customers: that has been the mission of Lisa, the new ambassador for Netto Marken-Discount, since 2022. Lisa embodies an approachable and authentic family mother who regularly encounters a variety of everyday situations and then shares them with Netto customers. Across the various communication channels, she demonstrates how everyday life and sustainable, affordable shopping at Netto Marken-Discount can be a source of fun and pleasure.

Appeals at an emotional level: **LISA** is an everyday hero, but also a real person we can relate to.



# QUICK FACTS



# 4,304

NETTO BRANCHES  
with 3.5 million m<sup>2</sup> salesfloor space



# 15.8 BN €

+7.6%

TRADING TURNOVER



# 84,000

EMPLOYEES

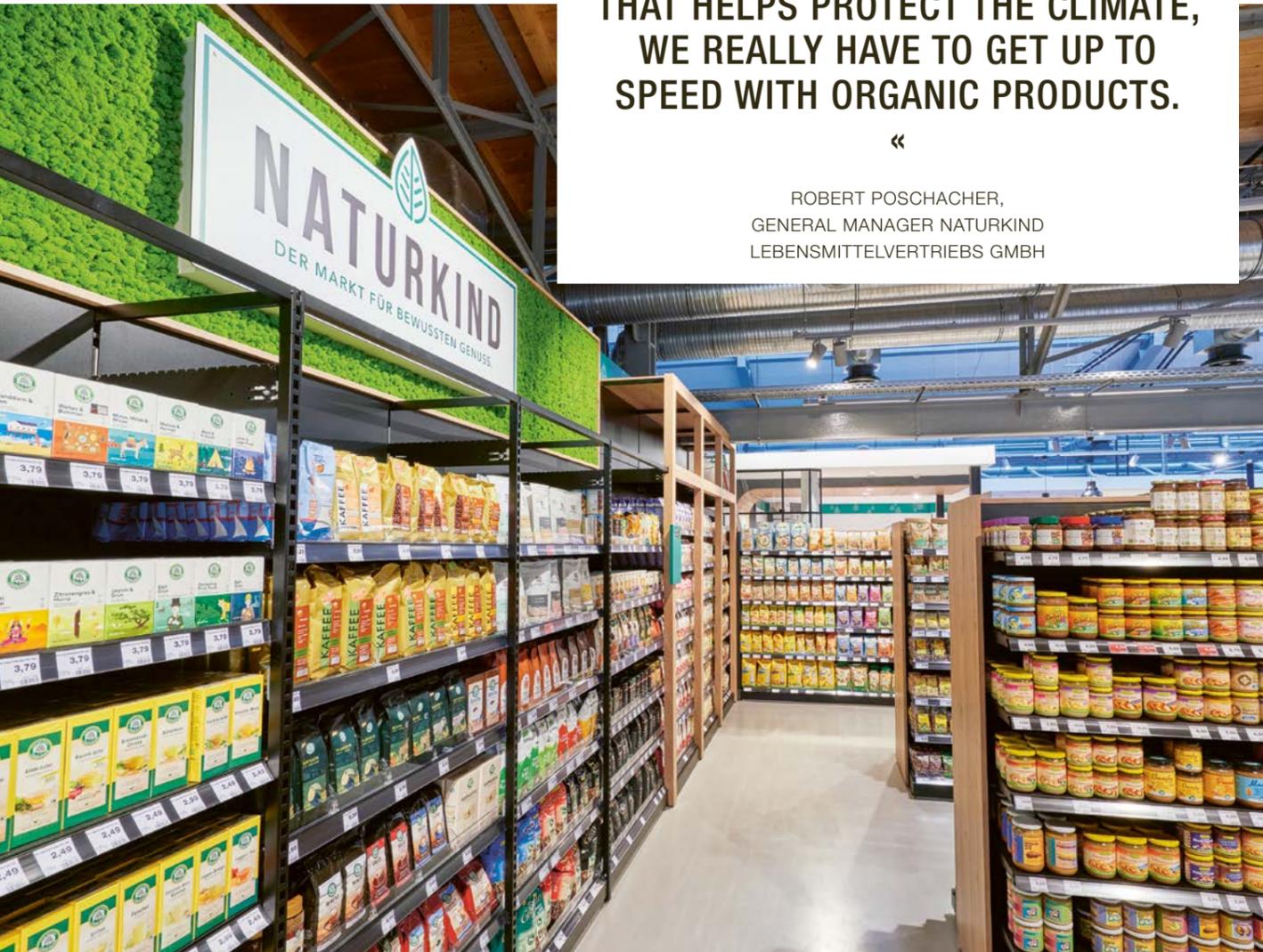


# 5,600

APPRENTICES/TRAINEES

»  
**IF WE WANT TO ACHIEVE SOMETHING THAT HELPS PROTECT THE CLIMATE, WE REALLY HAVE TO GET UP TO SPEED WITH ORGANIC PRODUCTS.**  
 «

ROBERT POSCHACHER,  
 GENERAL MANAGER NATURKIND  
 LEBENSMITTELVERTRIEBS GMBH



## DEMAND FOR ORGANIC COMPETENCE

The specialist store formats within the EDEKA Group provide independent retailers not only with additional growth potentials. NATURKIND in particular, but also the novel branch concept of budni, appeal to the growing awareness in terms of sustainability and resource-saving retail shopping by consumers. The concept of the NATURKIND Worlds was an especially successful development during 2022. These are separate

areas within a supermarket or hypermarket that are designed as “biotopes” and offer organic products, thus enabling retailers to attract organic-savvy customers and make it easier for them to buy specialist organic brands. Following the launch in November 2021, about 30 NATURKIND Worlds were opened in new and existing EDEKA full-range stores in the course of 2022. Come spring 2023, the number has grown to 50 NATURKIND Worlds,

and many others are already at the planning stage. In several locations, including Hamburg-Altona, Dinkelsbühl and Munich, NATURKIND has also been implemented in the form of independent speciality stores. Alongside its own spatial expansion, EDEKA also further increased the trade in goods on a cooperative basis with organic farming associations like Demeter, Bioland, Naturland, Biopark and Biokreis in 2022.

## STRONG IN THE REGIONS

The regional specialised retail formats promoted by the EDEKA Group also ensure short transport routes and therefore boost sustainability. For many years already, this has included the bakery branches located in foyer area outside the checkout counters at many EDEKA supermarkets and hypermarkets. They are supplied on a daily basis by regional bakeries of the EDEKA Group – for example from Allwörden (EDEKA North), Schäfer’s (EDEKA Minden-Hanover), Büsch (EDEKA Rhine-Ruhr), K&U (EDEKA Southwest) or Backstube

Wünsche (EDEKA Southern Bavaria). Increasingly, these sales outlets are also managed directly by the independent retailers. The specialist beverage store concept of trinkgut has also proven to be successful across the board – with a wide range of products, and low prices. Running against the prevailing trend, the brand managed to further increase sales in the core region of EDEKA Rhine-Ruhr in 2022. The second half of year saw the opening of the first two trinkgut branches in the Southern Bavaria region – in September in Ingolstadt,



**264**

**trinkgut LOCATIONS with a sales area of 230,500 m<sup>2</sup>**



and in December in Krumbach (Swabia). Plans are afoot to open up to ten more specialist stores each year in this region. Today eight trinkgut branches also receive supplies from the Southwest region.

## NEW FRONTIERS

The specialist drug store retailer budni, closely associated with EDEKA HQ since 2017, also performed well in the 2022 financial year, recording 3 per cent growth in sales. At the end of the year, budni was operating a total of 184 branches, most of them in the greater Hamburg metropolitan region and in Berlin. In the federal capital alone, seven new retail locations were opened over the course of the year. A key element in the branch concept is the budni-Wegweiser (the budni sign post), which makes it easier for customers to select sustainably produced alternatives available on the market. The co-operation with the WWF, started the year before, gained further momentum in 2022 – in future, budni’s entire product range will gradually be optimised, focusing on sustainability criteria such as climate protection, recycling and a reduction in packaging.

In October 2022, the aid organisation BUDNIANER HILFE also celebrated its 25th anniversary. It was founded in 1997 by the company’s employees and – thanks to the great willingness of customers and industry to contribute donations – has been supporting children’s and youth projects in Hamburg and the surrounding area to the tune of around 6.5 million euros to date.



The first Progress Report on the cooperation between budni and the WWF summarised the gains made during the first phase from 2021 to 2022: for example, the proportion of recycled material in PET bottles for detergents and cleaning products increased to almost 75 per cent.

■ New material  
 ■ Recycled material

## CONTINUED EXPANSION

According to the industry association bevh, online commerce in Germany declined for the first time in 2022. Even so, buying groceries over the internet has become the norm for many consumers, especially in conurbations. Picnic, a partner company of the EDEKA Group, single-mindedly continued its rapid expansion and growth in this dynamic market environment. The reasons for the ongoing success story can be found not only in the “milkman principle” – which is very popular with consumers and allows routes to be planned as intelligently as possible – but also in a constantly growing range of products that can be ordered conveniently via the Picnic app.

Demand is high: with over 550,000 households as its customers, Picnic is now the most successful online supermarket in North Rhine-Westphalia. The delivery fleet consisting of 1,200 electric vehicles is on the road in a total of 72 cities in Germany’s most populous federal state, supplying Picnic customers with a range of over 10,000 products. Last year Picnic not only leased 300,000 square metres of additional warehouse space; the company is also building one of the world’s most modern fulfilment centres, for which the ground-breaking ceremony took place in May 2022. With a floor space of 50,000 m² the new building in Oberhausen will be the largest fully automated e-food warehouse in the EU to date.



At the same time, the company prepared to expand its operations to other German cities and regions: the next stage will see launches in Hamburg, Berlin and the Rhine-Main region in 2023.

One factor in the company’s success is the Picnic private label, which continues to grow in popularity among customers. It is the first brand developed specifically for the online retail trade. It features packaging that is optimised for shipping in terms of its size and shape, and this helps to save space and avoid food waste.



Picnic’s success rests on a sophisticated logistics network that is constantly further developed.

72  
CITIES HAD PICNIC DELIVERIES IN 2022

1,200  
ELECTRIC VEHICLES

550,000  
HOUSEHOLDS ARE REGULAR CUSTOMERS

## IMPROVED CLOUT

The C+C business also experienced turbulent times: the shutting down of the restaurant and catering sector due to the lockdowns in 2020 and 2021 had led to massive losses in turnover. This also had an impact on the EDEKA Foodservice group of companies. The downward trend could only be reversed in 2022: EDEKA Foodservice managed to increase revenues by 18.3 per cent, to a total of 2.9 bn euros. At the same time, the Group used the financial year to optimise its organisational structure, harmonise processes and thus position itself more effectively for the future. One important outcome of this process is that the two sales brands EDEKA Foodservice and Handelshof will in future be backed by one joint management company: EDEKA Foodservice Handelshof Management GmbH. Some 5,000 staff are now working at the administrative locations in Minden, Offenburg, Balingen and Cologne to create the conditions that will allow the C+C operations and warehouses of EDEKA Foodservice and Handelshof to continue to provide their customers with the highest levels of service and quality. In addition, the company EDEKA C+C Großmarkt GmbH (previously a subsidiary of EDEKA Zentrale) became an independent subsidiary of the EDEKA Foodservice group of companies at the beginning of 2023. Now with three strong brands – EDEKA Foodservice, Handelshof and EDEKA Convenience – this group of companies has become a premier player in the Cash+Carry market.

2022 also brought some exciting developments in the product range. In addition to the already existing private-label and exclusive brands, there were some promising new additions last year, for example in the meat and sausage and coffee segments. The high-convenience range was further expanded thanks to a new partnership with the delicatessen producer Seubert Feinkostmanufaktur. The range of this family-run company impresses with high-quality pre-cooked and pre-portioned products. Together the partners developed a concept that constantly monitors culinary trends and is designed to meet the requirements of the chefs in high-level gastronomy down to the last detail, something that is especially important in view of the shortage of skilled workers.



The EDEKA Foodservice group of companies provides a professionally-run delivery service – as a wholesaler, service provider and advisory partner for national and regional customers from the hotel and catering industry, as well as for the mass catering and convenience trade.

7,000  
EMPLOYEES

90  
C+C STORES & WAREHOUSE LOCATIONS



The war in Ukraine, exploding energy prices and record-level inflation have led to marked changes in the shopping habits of many people in 2022. The EDEKA Group is well positioned to tackle the resulting challenges in terms of its product range and in distribution.

# OUR AMBITIONS ARE EVER-INCREASING – NOT LEAST IN TERMS OF PRICES

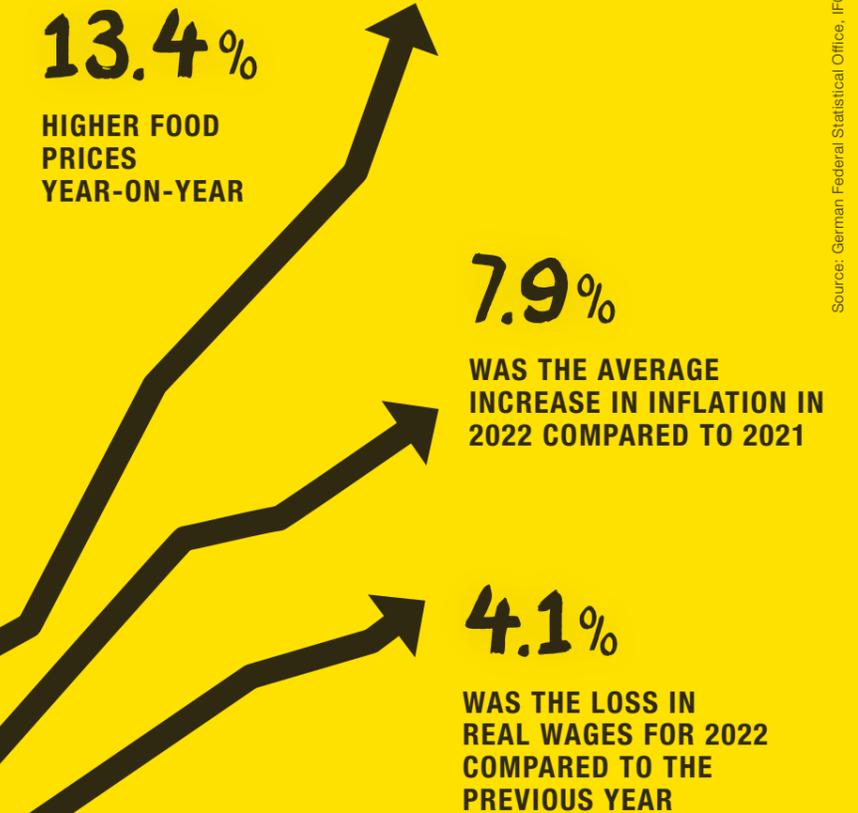
People living in Germany have already been suffering from a high inflation rate for months. According to the German Federal Statistical Office, the inflation rate in 2022 jumped to its highest level in more than 70 years. This erodes the purchasing power of consumers in Germany: one euro now buys less than it did before. People's financial leeway is shrinking, with increases in income being eaten up by inflation. This in turn has an impact on people's grocery shopping behaviour. In autumn 2022, for example, a survey commissioned by the German Retail Association (HDE) showed that 60 per cent of people are already tightening their shopping budgets. More than two thirds of German consumers buy less, or buy cheaper goods, than usual because they are concerned about future costs.

## HOW ARE PEOPLE CUTTING COSTS?



Source: Mitteldeutsche Markenstudie 2022 (Central German Brand Study 2022), based on the GfK Household Panel; multiple answers possible

## INFLATION EXERTS PRESSURE ON PURCHASING POWER



Source: German Federal Statistical Office, IFO Institute

## PROBLEM SOLVERS

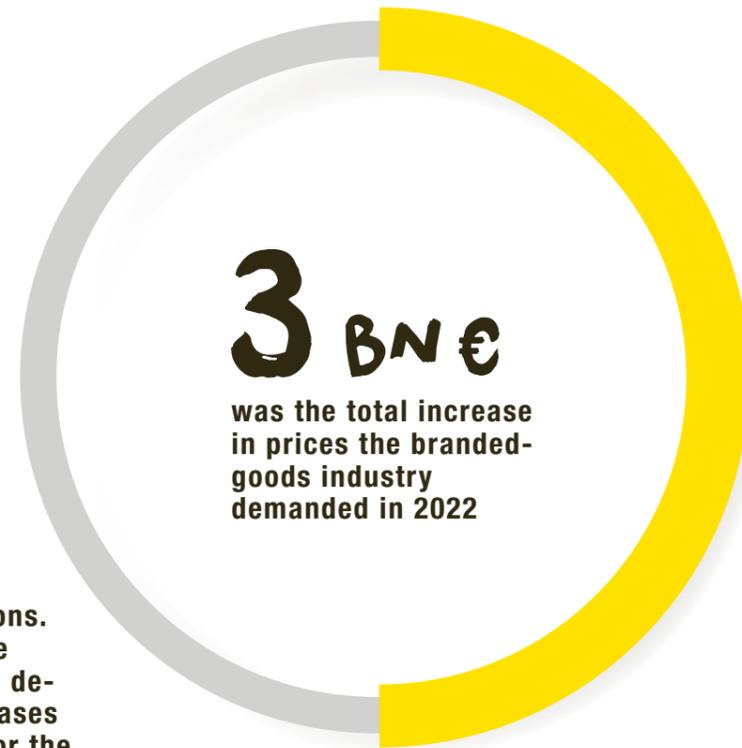
Many people want to eat healthy food and shop more sustainably – but at the same time they have to pay more attention than ever to the price of products. A contradiction or dilemma? Not necessarily. This is precisely where the opportunity lies for the EDEKA Group to relieve consumers of this burden of conflict and to enable them to experience a new food culture: maximum enjoyment, with a clear conscience, at the best price. With inflation still on the rise, EDEKA is therefore also shifting the issue of value for money to the centre of its messaging. The key messages in the campaign are:

“Every EDEKA store (also) contains a discount store” and “Every EDEKA store stocks around 7,000 items available at the best price.” At the same time, every EDEKA store also stands for variety, quality, service and sustainability. The year 2022 delivered proof once again that the EDEKA Group acts as a problem solver during difficult times. EDEKA manages the balancing act between sustainability and low prices like no other retailer, and we will continue to do everything in our power to harmonise apparent contradictions such as quality, sustainability and low prices.

## NEGOTIATING ON AN EQUAL FOOTING

It is therefore all the more important that especially retailers operating on a national scale, like the EDEKA Group, join forces in setting up international buying organisations. Doing so will enable the retail sector to let consumers continue to buy products at affordable prices. This positive effect on consumer welfare in Europe was confirmed in a study by Prof. Marcel Corstjens (INSEAD) in 2022. Based on an analysis of 138,000 different items over the period

from 2014 to 2019, the study showed that consumers paid about 12 per cent less for items that had been negotiated through a buying organisation. Already a year earlier, in 2021, EDEKA and its Dutch partner Picnic had launched Everest, a purchasing entity based in Amsterdam. In 2022, the company Epic Partners was established in Geneva. To date, seven predominantly nationally operating European trading companies have now joined forces.



In 2022, total price increases amounted to around 1.5 billion euros. The prices demanded by industry at first were more than twice as high, and could only be averted through tough negotiations. Yet as early as January 2023, the EDEKA Group was already facing demands for additional price increases in the order of 1.2 billion euros or the current year.



is the amount the EDEKA Group was able to prevent, for the benefit of consumers

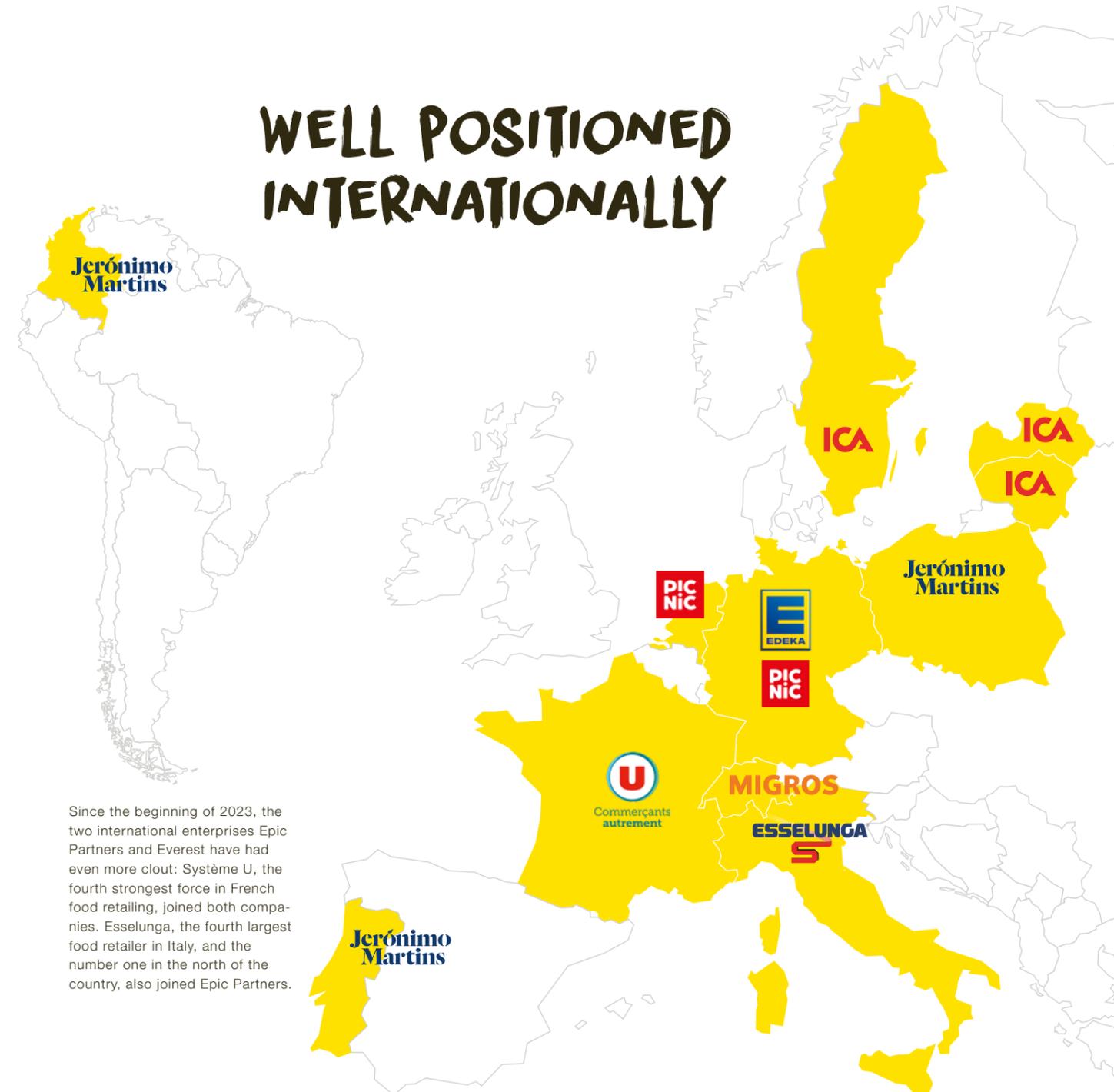
## CONSUMER ADVOCATE

The EDEKA Group is the leading provider of branded products in Germany. The Group has had good relations with a large number of mostly SME manufacturers for decades by providing them with reliable sales potential. EDEKA works with the majority of its suppliers as partners, the basis for sound cooperation. What the Group is firmly opposed to, however, is the business conduct of some international, predominantly publicly listed brand-name groups. They try to ride the inflation wave with unjustified and exaggerated price demands in order to boost their returns. The people paying the

price are not only the retailers, but above all the consumers in Germany. Especially in times of rising inflation, it is an important concern for the EDEKA Group to lighten the burden on private households. EDEKA will therefore continue to subject all price demands to close scrutiny and avert any avoidable price increases by means of rigorous negotiations. Price increases that are unavoidable must not be imposed on consumers alone, but have to be distributed along the entire value chain. The EDEKA Group is investing considerable sums with the aim of keeping sales prices as stable as possible –

even to the extent of cutting its own profit margin. Not only do the large multinational brand corporations exert pressure on supply; there is also an increasing degree of concentration. This is something that purely national retailers especially find difficult to counter. Food producers that are in a position to dominate the market are increasingly using unfair industry practices – such as excessive price demands, supply freezes and restrictions on the free movement of goods within the EU – in order to consolidate their profit margins and even to keep increasing them.

## WELL POSITIONED INTERNATIONALLY



Since the beginning of 2023, the two international enterprises Epic Partners and Everest have had even more clout: Système U, the fourth strongest force in French food retailing, joined both companies. Esselunga, the fourth largest food retailer in Italy, and the number one in the north of the country, also joined Epic Partners.

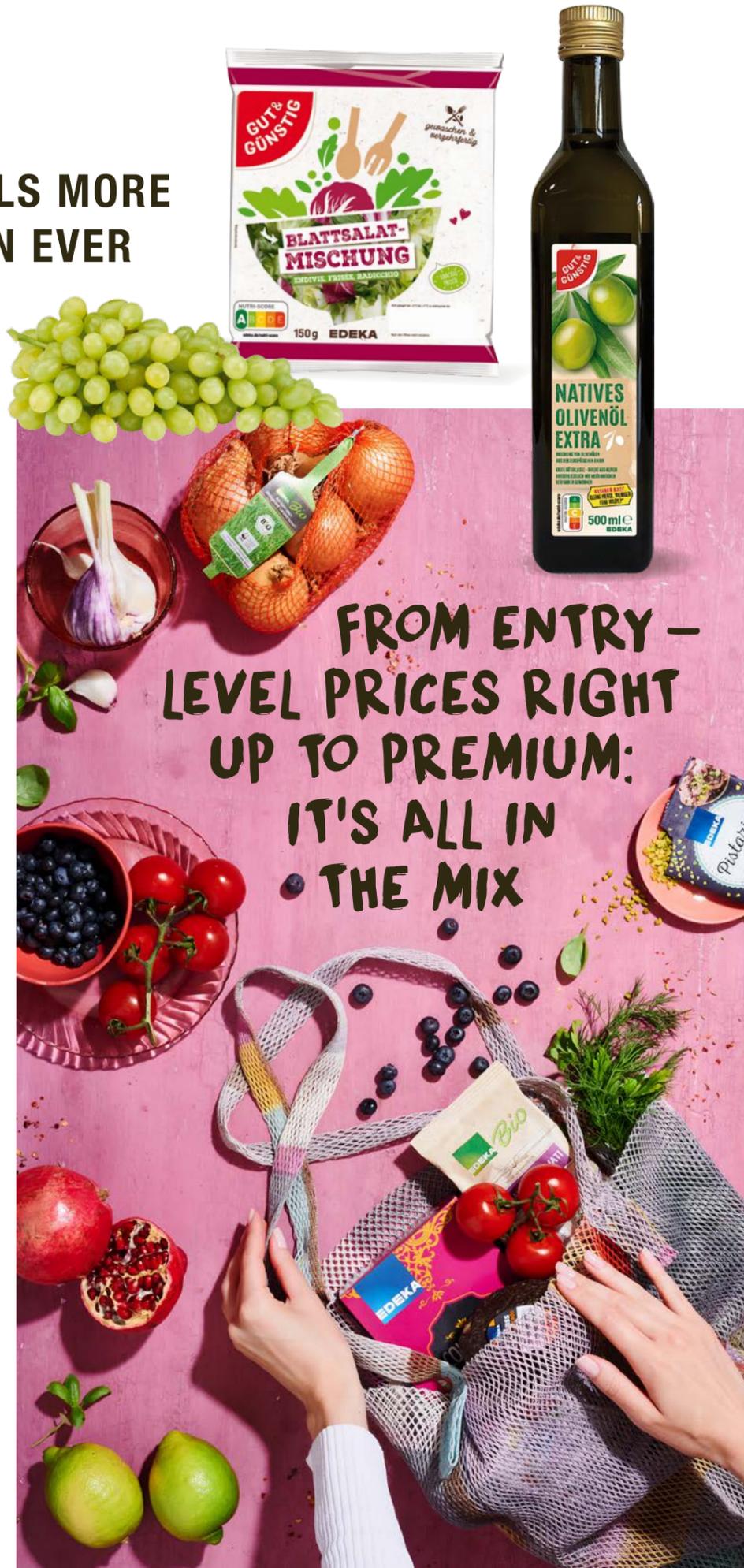
## PRIVATE LABELS MORE POPULAR THAN EVER

More and more consumers are turning to private-label products, according to a survey conducted by the PLMA International Council in eight European countries last year. Among the key findings of the study was that private labels make up a substantial share of regular shopping. For example, three out of ten respondents said that more than half of their grocery basket consisted of private-label products. A GfK study\* also confirmed this in January 2023: private-label brands now account for almost 43 per cent of turnover in the German food retail trade.

\* Source: GfK Consumer Index Total Grocery, January 2023

# 46%

that's how much cheaper on average private-label products are compared to corresponding brand-name products.



FROM ENTRY-LEVEL PRICES RIGHT UP TO PREMIUM: IT'S ALL IN THE MIX

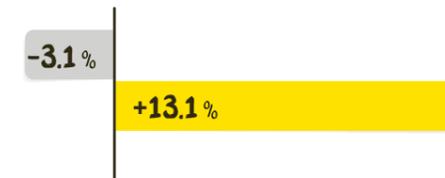
## THE SHARPEST TOOL IN PRICE COMPETITION

One visible result of the growing popularity of private labels is their noticeably increased presence on the shelves of EDEKA stores. And the selection is growing from month to month. The base private label GUT&GÜNSTIG alone now consists of about 2,700 items addressing daily needs. They match or better the quality of the leading manufacturer brand; at the same time, they are pegged against the lowest price level on the market. With the new packaging design in 2022, their visibility and their positioning as a high-quality alternative were further optimised. The approximately 2,500 articles of the differentiation brand EDEKA offer customers an objective additional benefit compared to similar articles – for example, through special recipes or formulations,

specially selected raw materials or traditional production methods. In addition, there are around 1,000 other branded articles that are offered exclusively in the sales formats of the EDEKA Group – also consistently at an attractive price-performance ratio. Private-label brands are not only more competitive than other brands when it comes to pricing; they are frequently superior in terms of quality and sustainability. Many of the private-label and exclusive brands of EDEKA and Netto Marken-Discount are regularly given top ratings by consumer protection organisations Stiftung Warentest or Ökotest – this goes for food items as well as for drug store products from elkos, and for the natural cosmetics brand BLÜTE-ZEIT.

According to a recent GfK study, private-label brands are also driving trends, as a comparison of sales trends in this segment of the product range shows.

### TREND SUSTAINABILITY



### TREND HEALTH



Legend: Producer brands (grey), Private-label brands (yellow)

Source: GfK Consumer Panel FMCG CP+ 2.0 Barcoded Products, January 2023



**CLEAR PRICE SIGNALS** already seen in the fruit and vegetable department: this is the strength of the Naturtalente (natural talents) products from GUT&GÜNSTIG. With these products, retailers all over the country prove that they are offering value for money and providing their customers with an attractive range of fruit and vegetables consisting of around 30 products. In addition, the Naturtalente products also draw attention to their domestic origin – with the Naturtalente heart in the colours of the German flag.

## GUT&GÜNSTIG MADE RIGHT HERE



The whole variety of private-label brands in the EDEKA Group.

# Exotic variety & regional brands

united at heart.

From mangoes from Peru to carrots from the farm next door – EDEKA offers its customers a unique variety of products. Just as important, always, is the close relationship with the producers and the seamless quality control – from the source right through to the supermarket shelf.



Close cooperation with local producers is deeply embedded in EDEKA's DNA. These relationships not only boost the product range; they also result in each store having its very own personal flavour. And by partnering with EDEKA, the farmers also have the benefit of added security through the reliable and long-term sales potential. This comes in the form of the regional brand programmes for fresh produce such as fruit and vegetables, meat and sausage or dairy products, some of which have been developed and expanded for decades by the seven EDEKA wholesale operations.

We also maintain well-established networks in distant countries, not least thanks to the work of the EDEKA Fruchtkontor, which has direct cooperative relationships with more than 1,000 producers in about 80 countries across the globe. This allows us to set our own quality standards in the cultivation of fruit and vegetables and to import the freshly harvested products without having to go through intermediaries. In doing so, we put sustainability and resource-saving cultivation at the top of the agenda.



## ANIMAL WELFARE? YES, OF COURSE!

Together with its partners in agriculture, the EDEKA Group has already been working towards improving animal welfare for years. One example: EDEKA is a founding member of, and pays the biggest contribution to, the "Initiative Tierwohl". With their regional branded meat programmes, the EDEKA wholesalers continued to expand the range of meat and sausage products of the upper-level animal husbandry types 3 and 4 in 2022, and this also included the growing organic meat segment.

# 753 MN

animals to date came from partner operations of the Initiative Tierwohl



# 38

is the number of production locations owned by the EDEKA Group. In this way, EDEKA can ensure the supply of key products in the private-label range.

## GROUND-BREAKING

On Kleiner Grasbrook in the Port of Hamburg, the EDEKA Fruchtkontor has been building an expanded logistics hub for fruit and vegetables and a new banana ripening facility since October 2022.



## HANDS-ON APPROACH

Many fresh food products are processed in EDEKA-owned operations – in most cases using raw materials sourced from within the region. In the past business year, our own production included 14 regional meat and sausage businesses, 14 regional bakery businesses, two wineries, two mineral springs, two fruit juice businesses, one juice press and several other small production facilities. The advantages are obvious: in-house production strengthens independence and secures long-term market supply in important segments of the product range – a great plus for both retailers and customers, especially in times of uncertainty in supply chains and volatile commodity markets. In addition, the Group's own operations are able to react flexibly and quickly to changes in market trends and customer needs. For sensitive product groups such as meat and sausage in particular, having our own production facilities guarantees compliance with standards for quality, product origin and animal welfare along the entire process chain.

## TARGETED INVESTMENT

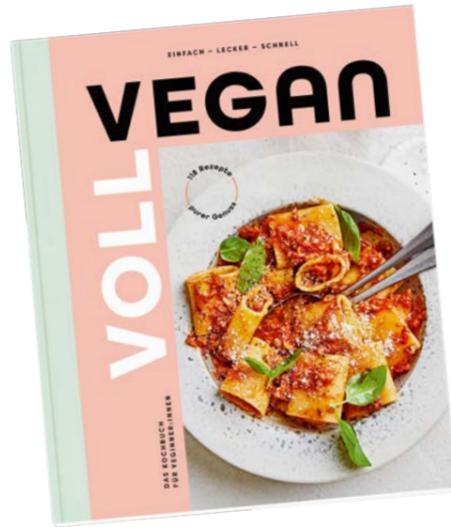
Eating habits are changing – food producers are also taking this development into account. One example: in 2022 the EDEKA wholesale operation Rhine-Ruhr with its meat processing facility Fleischhof Rasting invested around 10 million euros in the conversion of a factory hall measuring around 5,500 m<sup>2</sup> in Essen: this is where vegan and vegetarian meat alternatives are now produced. All the production stages, from preparation to packaging, are carried out on site. As early as the first quarter of this year, the first 15 articles in the vegan private label "Plan B" will be launched on the market from here.



You can find more information about animal health and welfare here.

# VEGAN DELIGHT

The success story of vegetarian and vegan food continued in 2022. The long-term trend toward more plant-based alternatives provides an opportunity for the EDEKA private labels EDEKA MY VEGGIE and EDEKA Bio MY VEGGIE. The number of products in these private-label brands currently stands at around 80, and the range is continually expanded. Just how diverse and varied plant-based



**EDEKA recipe book "Voll vegan":** five chapters in which original recipe creations mix with time-honoured classics.

meal preparation can be is shown in the new EDEKA book of recipes called "Voll vegan" ("Fully vegan"). Its 200 pages contain over 100 vegan recipe ideas. Whether you are a full-on vegan, a flexitarian, an absolute beginner or a professional chef – there is something for everyone in the five chapters. The "Voll vegan" book not only helps raise awareness of plant-based nutrition; it also boosts vegan food competence.

## NUMBER OF VEGANS IN GERMANY

**1.58<sub>M</sub>**

**+12% since 2021**

Source: Allensbacher Markt- und Werbeträgeranalyse, IHD Allensbach 2022



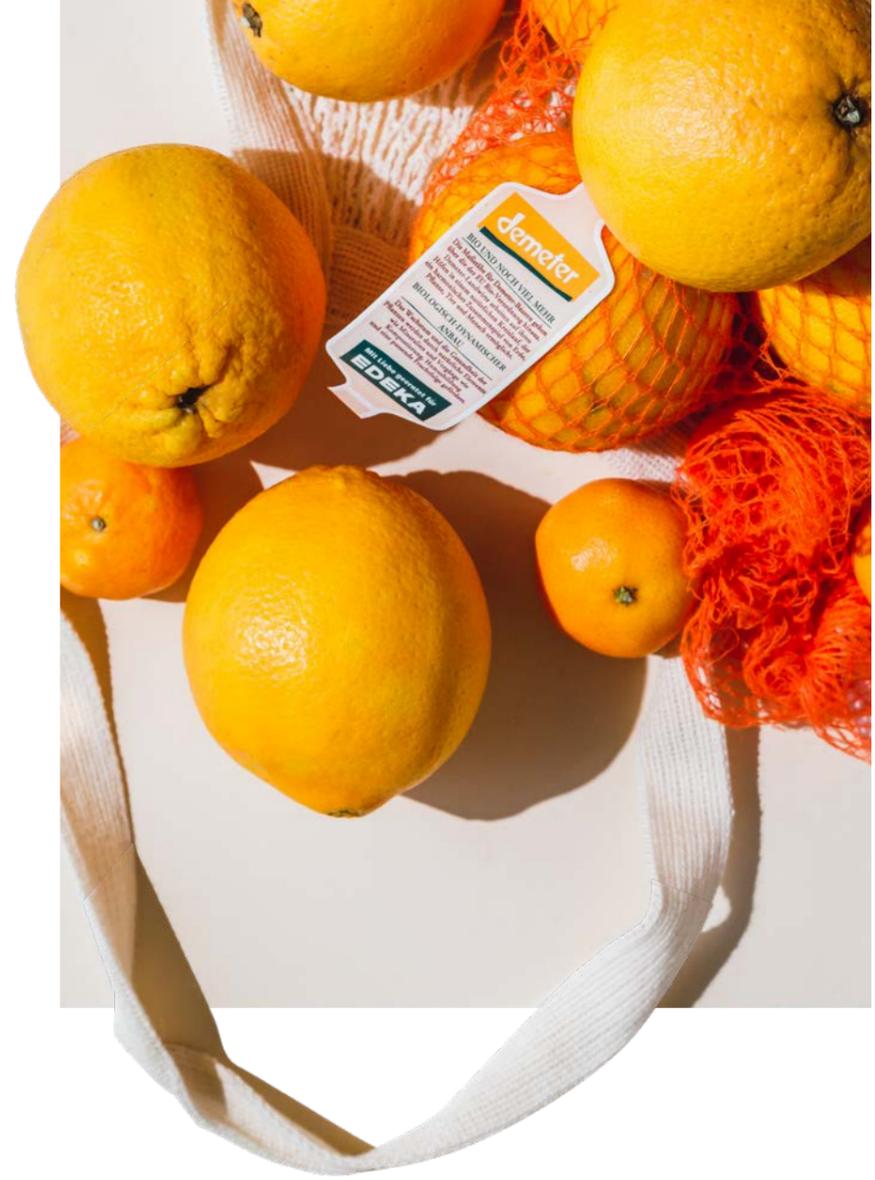
# PURELY ORGANIC

Sales of organic food in Germany declined slightly for the first time in 2022 year-on-year, according to the Federation of the Organic Food Industry (BÖLW). The EDEKA Group saw little evidence of shoppers' reluctance, however – in fact, the segment continued to trend upward. But just as was the case across the entire food product range, many customers tended to opt increasingly for the private labels rather than the branded products, that is, for EDEKA Bio products, and for BioBio products at Netto Marken-Discount.

**1,000**

## ORGANIC PRIVATE-LABEL PRODUCTS

The EDEKA Group managed to raise its profile in all matters organic especially with the specialist organic brand NATURKIND newly launched in April 2022. The brand's good reputation is primarily due to its cooperation with leading organic farming associations such as Bioland, demeter, Naturland, Biokreis and Biopark. They all go far beyond the minimum EU organic standards and contribute to the common goal of making high-quality organic food accessible to a broad range of consumers. The logos of the various farming associations as well as additional sustainability labels such as FAIRTRADE or the panda bear, the logo of the WWF, provide clear pointers toward the now more than 60 NATURKIND articles. The new concept of the NATURKIND worlds being established in a growing number of EDEKA supermarkets and hypermarkets also helps build bridges to farmers and to specialist, organic retailers, attracting an ever-growing number of people to organic products.



## CLEAR SHIFT IN 2022

**6.3%**  
**DROP IN TURNOVER for producers of organic brands**

**11.8%**  
**BOOST IN SALES for organic private-label brands**

A comparison with the general trend is particularly enlightening in this context: organic sales increased by 2.5 per cent overall, i.e. somewhat below average compared to the overall trend. The organic producer brands recorded a disproportionate decline of 6.3 per cent, to 0.4 per cent overall, while the retailers' own organic brands grew at an above-average rate (11.8 per cent, to 10.9 per cent overall).

Source: GfK Consumer Index Total Grocery, December 2022

## DIVERSITY IN COLLABORATION

In 2022 things turned even more colourful at EDEKA. Together with the entertainer and author Riccardo Simonetti, EDEKA started to place the smoothie brand “Diverse Früchtchen” (“Diverse little fruit”) on refrigerated shelves – a colourful-fruity mix with a tinge of elderberry, to give it that certain extra.

Riccardo Simonetti advocates diversity and equal rights like few other people in the public eye. This stance is also expressed in the variety’s name “Diverse Früchtchen”, under the “All in Fruits” brand. For each smoothie bottle sold, 10 cents go to the Riccardo Simonetti Initiative e. V., an organisation established to support marginalised and disadvantaged people in our society.

The product launch in May 2022 was promoted on all the communication channels of the EDEKA Group. Simonetti also graced the cover of the EDEKA magazine MIT LIEBE, and he featured in an online video and in other content on social media channels, on the website, in newsletters and in the app. Large illuminated billboards ensured additional publicity out on the streets. EDEKA also relied on the expertise and the reach of a diverse range of influencers for other collaborative ventures.



## STRONG PRESENCE

EDEKA’s TikTok channel had 50 million views and a 25 per cent increase in the number of followers in the year 2022. The content creator Lala from Hamburg was definitely one factor in this success story. In May she had called on businesses to contact her, because she was aiming to become “TikTok personality for a brand”. A number of German businesses commented – including EDEKA. A package full of products featured in Lala’s favourite recipes clearly left her with a good impression. She showed the box in a video that was viewed more than 1.1 million times, and so she decided to become a partner in the cooperation with EDEKA. In the following months almost 40 videos fronted by Lala went live on the EDEKA TikTok channel, with some of them attracting more than a million views.



Curious to find out more? Then visit the EDEKA TikTok channel!



## A SUCCESSFUL REVOLUTION

At first glance, the brown spheres seem rather unremarkable, yet they are revolutionary: CoffeeB is the first coffee capsule system in the world that does away with capsules entirely. EDEKA is the first partner in the German food retail sector to be selling the Coffee Balls, starting in April 2023. The pressed balls come inside a plant-based protective cover, and they are 100 per cent compostable in your own garden.

The coffee beans are sourced from sustainable cultivation and, depending on the flavour, they carry either Rainforest Alliance or organic and Fairtrade certification, and all the packaging is recyclable. Moreover, the coffee maker “Globe” is highly energy-efficient and is produced from up to 34 per cent recycled materials. The system as well as all the coffee varieties on offer are fully CO<sub>2</sub>-compensated.



# 3.5<sub>M</sub>

is the number of readers reached by the EDEKA customer magazine MIT LIEBE, making it the food magazine with the biggest reach in Germany for the fifth year in a row, according to Allensbacher

Markt- und Werbeträgeranalyse (AWA). The EDEKA children’s magazine YUMMI with 852,000 readers tops the list of magazines for children and adolescents. The Netto customer magazine Gold retains its place in the top ten of monthly women’s magazines, with a readership of 624,000.

## HAVING A GLASS WITH LOU



In mid-September, EDEKA launched what is now its third podcast. The Cheers! podcast is all about the world of wine. It is hosted by the new EDEKA wine expert Louisa Maria Schmidt, or “Lou” and presenter Jonas Frank. A new episode of the podcast discussing wine and wine-related topics in an entertaining talk format comes out every Thursday. What matters here is that the focus is firmly on letting everybody enjoy the pleasures of wine. With the new podcast, available on all podcast platforms, EDEKA wants to inspire enthusiasm for wine in interested consumers and make it easier for them to access the product world. It is a means for EDEKA to once again showcase its great competence in all matters relating to wine.



We are currently experiencing a period of dramatic upheaval – with noticeable consequences for the everyday lives of people in Germany. In spite of these challenges, the EDEKA Group continues to put all its energy into promoting sustainability in the food trade.

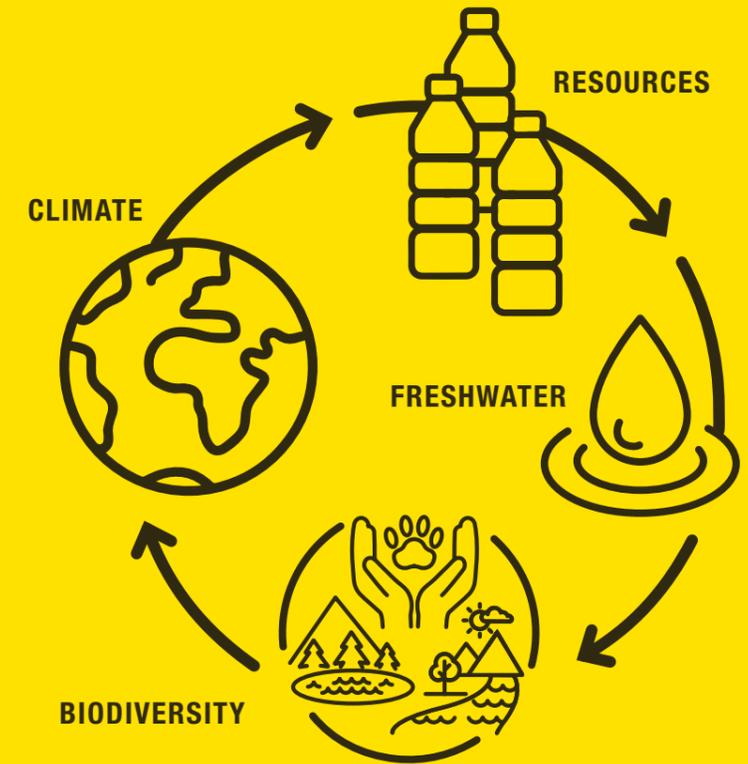
WE SEE  
**CHANGES**  
MAINLY AS AN  
**OPPORTUNITY**

In the German retail sector, EDEKA is peerless when it comes to variety and the range of its products. The Group cooperates with a large number of producers in Germany and all over the world. The product range always maintains an optimal balance in terms of quality and price. But if we do not invest in sustainability, we will not be able to afford this diversity in the long run.

Many countries from which Germany sources food supplies, as well as our domestic agriculture, are massively threatened by human-induced climate change and other environmental influences. This makes it all the more important to use natural resources sparingly everywhere on earth. Sustainability is therefore of particular importance at the very moment in time. It is the only way EDEKA can help to ensure that people in Germany continue to be supplied with a wide range of high-quality and affordable food – not only now, but in future generations as well. The various aspects comprising sustainable action often mesh like cogwheels. This becomes particularly evident in the field projects where EDEKA and the WWF work with local agricultural producers to develop solutions that make food cultivation sustainable in the long term.



## 4 KEY CHALLENGES FOR SOCIETY



## PARTNERSHIP EXTENDED

Working with the WWF (World Wide Fund for Nature), the EDEKA Group has been implementing measures designed to achieve greater sustainability for many years. The objective is to make the entire private-label product range more sustainable, and reduce the ecological footprint in the process. As pioneers in the retail trade, the partners began their cooperation back in 2009, starting out with a commitment to work towards sustainable fishing practices. The partnership has since expanded their

joint fields of activity and projects to include more and more product groups. In the year 2022, the EDEKA Group and the WWF extended their successful cooperation for a further ten years and set themselves new ambitious targets. All measures contribute to four overarching goals of the partnership: climate protection by reducing emissions, conservation of biodiversity, careful use of freshwater resources, and conservation of resources in the production and processing of products, such as reduced packaging.



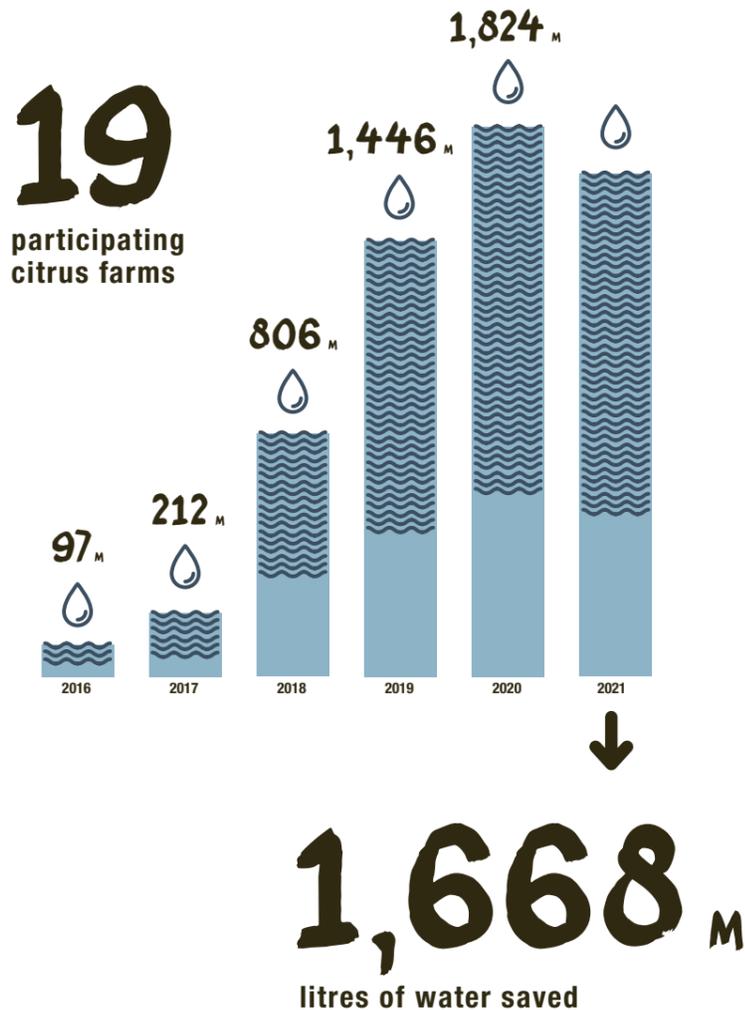
More information about our commitment toward achieving greater sustainability can be found here.

On a global scale, the production of food has a concrete, measurable impact on the climate, on biodiversity and on natural resources such as freshwater in the countries concerned. For this reason, the EDEKA Group is currently engaged in four large-scale field projects that are operated together with its local agricultural partners, with the aim of making the cultivation of particularly critical product groups sustainable.

## TARGETED FIELD PROJECTS

In the project for better oranges, mandarins and clementines in Spain, EDEKA and the WWF are improving the conventional cultivation of citrus fruit in the regions of Andalusia, Catalonia and Valencia. An example: irrigation of the project fields is being adapted to take into account local water shortages, something that will

only get worse as a result of climate change. The use of agrochemicals is being reduced, measures to improve soil fertility are implemented, and biodiversity is enhanced as a result. Each region is faced with its own particular challenges, and these need to be addressed with specifically targeted measures.



## BETTER BANANAS

EDEKA and the WWF have been working together to improve conventional banana cultivation practices since as far back as 2014. The stated objectives for this cooperation include preserving the rainforest ecosystem and its biodiversity, saving freshwater and protecting it from contamination, establishing a waste management system, conserving the soil and reducing the use of pesticides. The partners are also working to identify the sources of greenhouse gases and reduce emissions. Yet another objective is to improve the working conditions for local people. By the end of 2022, some 20 banana farms were participating in the project: twelve of them in Colombia and seven in Ecuador.

Another addition in 2022 was bananas from a project farm in the growing country of Costa Rica that belongs to the private non-profit educational institution EARTH University. This cultivation region brings new challenges because highly hazardous pesticides (WHO class 1a and 1b), which are used to control certain soil pests that occur in particularly high numbers in Costa Rica, are not applied in this project. EDEKA, the WWF and EARTH have jointly assembled a team of experts to deal with the challenge, assuming a pioneering role in the effort to dispense with the use of WHO 1a and 1b pesticides in Costa Rica. The first shipment of "better bananas" from this cultivation region in Costa Rica arrived at EDEKA at the end of 2022.

## HABITATS AND AGRICULTURE

"Agriculture For Biodiversity" celebrated its 10-year anniversary in 2022! It is one of Germany's largest initiatives for biodiversity in the agricultural landscape – initiated in 2012 by the organic farmers' association Biopark together with WWF, the EDEKA Group and the Leibniz Centre for Agricultural Landscape Research (ZALF). By 2022, some 209 organic farms were already participating in this future-oriented programme. In addition to fruit-growing farms, they also include farms with potato and grain cultivation as well as pig and cattle farms. Depending on the operation, quite different measures are applied – consistently based on science. The goal remains the same: to promote biodiversity in the local agricultural landscape, for example by setting aside strips of land where wildflowers can grow.



Since 2022, many nationally as well as regionally available fruit products from a newly founded dessert fruit initiative of the "Agriculture for Biodiversity" programme have been available from EDEKA: organic dessert apples and the apple purée of the Naturkind brand.



» ALONG WITH THE CLIMATE CRISIS, BIODIVERSITY LOSS IS THE MAJOR ENVIRONMENTAL ISSUE OF OUR TIME AND AFFECTS THE VERY FOUNDATIONS OF OUR LIVES. «

Lukas Wortmann, WWF

**209** ORGANIC FARMS throughout Germany are participating today; in early 2012 there were 12

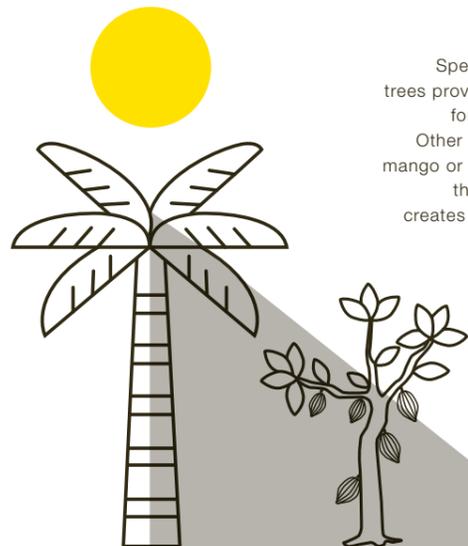
**53,241** HECTARES is the total area on which measures of the Agriculture for Biodiversity Initiative are implemented



# FOR A FUTURE THAT INCLUDES CHOCOLATE

In the year 2022, around 60 private-label products were awarded the Cocoa For Future field programme logo. This project is undertaken by EDEKA and Netto Marken-Discount in an effort to future-proof cocoa cultivation. But why is there a need for change?

Cocoa can only be grown near the equator, in the so-called cocoa belt. This is where the climatic conditions are optimal for the cocoa plants. The economic cultivation of cocoa is faced with major problems, and this applies especially to monoculture, the method used to generate the greatest profits in the short term. Cultivation in monocultures comes with many challenges, however: loss of biodiversity, suboptimal conditions for the cocoa plants due to lack of shade, infertile soils due to the use of synthetic fertilisers and pesticides. Sometimes entire harvests can fail, threatening the farmers' livelihoods. Some of them therefore resort to clearing pristine forests to open up new cultivation areas – and this has a negative impact on the climate. Many farmers get into financial difficulties and can no longer pay for their children's education. The Cocoa For Future project applies the agroforestry principles. Monocultures are deliberately dispensed with, and the emphasis is on boosting biodiversity instead.



Specially planted palm trees provide valuable shade for the cocoa plants. Other fruit crops such as mango or pineapple diversify the harvest, and this creates additional income.



Through the **Cocoa For Future** programme, EDEKA wants to future-proof cocoa cultivation. To achieve this goal, the living and working conditions of the cocoa farmers need to be improved. Social and economic empowerment also has a positive impact on the environment. Such measures boost biodiversity and protect valuable resources.



2/3

of the world's cocoa production takes place in Ghana and Côte d'Ivoire. Each region is faced with different challenges. The Cocoa For Future programme specifically addresses the individual conditions in each region.



## The big item at low prices

united at heart.

### TARGETED AT ENTRY-LEVEL PRICES

The EDEKA Group sources cocoa from the **Cocoa For Future** programme in a targeted manner for about 60 private-label articles at an entry-level price. The fact that even the private labels **GUT & GÜNSTIG** and **EDEKA** use cocoa sourced from the programme shows once again that the EDEKA Group makes it possible to provide quality and sustainability for all, regardless of their household budget.



Would you like more information about the Cocoa For Future project? Find it here!

# ON YOUR LEFTOVERS, READY, SET, GO

In the year 2022, far too much food was thrown away in Germany once again (an estimated 11-18 million tonnes). More than half of all food waste is caused by private households, only about 7 per cent can be attributed to retailers.\* The causes of food waste are manifold, and a workable strategy must therefore tackle a number of different aspects: for example, there are the producers who should implement a sustainable circular economy, the restaurants that could offer menus that make use of food that has been rejected, and apps that let people sell or exchange leftovers.

\* German Federal Statistical Office, 2022



To put an even more intense focus on food waste, EDEKA declared an "Action Month For Food Appreciation" in September 2022. From 15 September to 15 October last year, consumers were given many tips and inspirations for a more conscientious approach to food – under the motto "Good for the environment and good for the wallet."

A "Ten-Day-Challenge" as part of the month of action showed what consumers can practically do to

fight food waste in their everyday lives. This is because every food item has been produced with a lot of effort in the interaction of nature and agriculture. It should therefore be handled with care, along the entire value chain. The EDEKA Group, structured as a co-operative, is committed to an appreciative approach to food at all levels – from procurement to logistics to the retail shelves.

**59%**  
of food waste comes from private households. Every German citizen throws away around **78 kg of food per year on average.**

**PROCUREMENT OF GOODS**  
Optimised procurement eliminates surplus: our 3,500 retailers with their local roots have a keen sense of what the actual demand is, and they can adapt their product range to regional needs.

**HANDLING**  
The special care our specialist staff take when handling the goods is a key factor in minimising spoilage. The use of state-of-the-art technology guarantees optimum shelf life for the goods at the stores.

**SUPPLY & CONSULTATION**  
Advice provided at our service counters helps customers do their shopping based on their actual needs, and this applies especially to singles, senior citizens and small families.

**DONATING**  
As a partner of the food bank initiatives, we have for many years been donating surplus food to over 2 million people in need of help nationwide.

**FURTHER PROCESSING**  
Fresh convenience products are in vogue and they prevent food waste: that's why we process food that is not visually perfect into other products.

# “EVERYONE MUST TAKE RESPONSIBILITY”

Dirk Steffen is a multi-award-winning science journalist, TV presenter and an expert on sustainability. Food appreciation is an important concern of his.

**Why do you think a mindful approach to food is necessary and important?**

There is probably no other way to protect the climate and biodiversity more effectively. Because it is not transportation, not energy production and not even industry that are the worst culprits when it comes to damaging both the climate and biodiversity. The biggest environmental problem is food, that is, the way we produce it and also the way we deal with it. We are far too inefficient in the production as well as in the distribution and consumption of food.

**How can we reduce food waste?**

Increasing numbers of food producers are operating in an environmentally conscious manner, the retail trade is gradually adapting its range of products, and consumers are no longer just looking at the price. It isn't a matter of good guys versus bad guys in this game. We – agriculture, trade and consumers – can only change the system if we work together.

**What is it that makes you optimistic?**

My impression is that there is a growing realisation among consumers, producers and retailers that everyone has to take responsibility. Awareness of this fact is much greater today than it was a few years ago. That is why I am convinced that the change for the better is already under way.



»

**WHAT WE HAVE ON OUR PLATES IS PROBABLY MORE CRITICAL IN TERMS OF ENVIRONMENTAL PROTECTION THAN THE KIND OF CAR IN OUR DRIVEWAY.**

«

DIRK STEFFENS



For more information and interviews with sustainability expert Dirk Steffens

## GENERATIONS AS GOOD NEIGHBOURS

The family-run EDEKA supermarket has been a life-long companion in the neighbourhood for many people. It is therefore only natural that EDEKA is focusing on the subject of "Neighbourhood" – for example in the "EDEKA Nachbarschaftsbarometer" ("Neighbourhood Barometer"),

which was published for the third time in 2022. Its special theme "The Coexistence of Generations" highlighted the extent to which neighbourly interaction also takes place across generations and how the different generations look after each other.

**46%**

of Germans find neighbourly interactions between the generations important to very important.



The older generations (50 to 70 years) are generally more content with their interactions with other generations in the neighbourhood. Young people (18 to 29 years) would

like to have more contact with other generations, but are unsure about what they have to offer (23 %), or don't dare to take the first step (24 %).

## SPONSOR FOR THE GERMAN NEIGHBOURHOOD AWARD

EDEKA promoted good neighbourliness through other activities, too, last year. As a long-standing partner of the nebenan.de ("next door") foundation, the Group supported the nationwide "Neighbourhood Day" in May. As part of the presentation of the German Neighbourhood Award, which could be held in Berlin as a major gala event again in 2022, EDEKA was prominent at the federal level as the sponsor

of the Sustainability Award, and was also represented on many of the judging panels at state level. The award sponsored by EDEKA focuses on projects designed to raise environmental awareness at the local level. It is a theme perfectly suited to EDEKA, since the EDEKA retailers are indeed engaged with their respective neighbourhoods with their own ecological projects.

# HUMAN RIGHTS

For the EDEKA Group, it is an important concern to contribute, within the context of our activities, to a lasting improvement in the living and working conditions in our supplier countries around the world. EDEKA has a long history of voluntary engagement – including through initiatives and projects – to ensure compliance with and monitoring of due diligence obligations in the field of human rights. For the German Supply Chain Sourcing Due Diligence Act, which has been in force since the beginning of this year, the Group has implemented all relevant processes and structures in 2022 in order to meet the requirements set.



## FOR THE LOVE OF CHILDREN

The Corona pandemic and the accompanying restrictions over recent years have also made the work of the EDEKA Foundation more difficult. In 2022, the foundation was finally able to get its projects under the umbrella of the "Because We Love Children" initiative underway again. For EDEKA, education is one of the principal motives for their social commitment. Where does our food come from? How much exercise does my body need? And how can I contribute to the protection of the environment?

It is to these kinds of questions that the foundation, in cooperation with competent partners such as the WWF, provides young people with well-researched answers. Their most successful project – "Vegetable beds for kids" – has been educating and delighting pre-school children since 2008. Together with EDEKA retailers acting as patrons, the kids grow vegetables in raised beds in their kindergartens, tend them themselves throughout the summer and look forward to the rich harvest that awaits them.



Rowing athlete and Olympic Silver Medal winner Torben Johannesen with EDEKA retailer Volker Klein, Hamburg

**1,400**  
RETAILERS  
sponsor day-care centres  
throughout Germany

**84,000**  
SEEDLINGS  
have been planted in specially  
constructed raised vegetable beds



You can find all the information about the EDEKA Foundation and their current projects right here.

**5,600**  
SEED BAGS  
were distributed and tended  
until they were ready for harvest

## BUILDING UP STRENGTH FOR THE OLYMPICS

Healthy nutrition and exercise go together. This is why EDEKA is the ideal partner for athletes and for everybody who wants to eat a balanced diet and engage in sports. The EDEKA Group has been a Premium Partner of Team Germany since 2018 – with the backing of many EDEKA retailers and store managers who let their customers participate in this endeavour through local cooperative ventures. To date, some 175 athletes nationwide have been supported in this way. In early 2022, EDEKA accompanied and supported Team Germany on its way to the Winter Olympics in Beijing, and now all eyes are on next year's Summer Games in Paris.

» WE ARE PLEASED TO HAVE FOUND ANOTHER WAY TO HELP LOCAL REFUGEES BY DONATING TO THE BIEDRONKA FOUNDATION TO HELP REFUGEES STRANDED IN POLAND. «

MARKUS MOSA

## UNBUREAUCRATIC ASSISTANCE

The ongoing Russian war of invasion in Ukraine continues to keep the world on edge. Since February 2022, the EDEKA Group has also been active in providing the people of Ukraine – those remaining in their own country as well as refugees – with rapid and unbureaucratic assistance.

The first action we participated in involved direct deliveries of goods by truck to Ukraine – arranged through the German Food Bridge, a coordination agency of the German Federal Ministry of Agriculture and Consumer Protection. In addition, the Hamburg-based EDEKA Foundation set up a national account for donations from retailers, employees and companies with the Group.

The donations are divided among three areas of operation: in Ukraine itself, the EDEKA Foundation supports various organisations such as the Ukrainian Medical Association, Ukraine Hilfe Lobetal, the Boeselager Foundation and Netzwerk Mensch. The Biedronka Foundation in Poland received donations to provide goods vouchers and accommodation for Ukrainian refugees. The Polish food retailer Biedronka is part of the international Portuguese corporation Jerónimo Martins, with which EDEKA is linked as part of the Epic Partners alliance. Among other things, the Biedronka Foundation set up a prepaid SIM card programme for Ukrainians in Poland.

Funding is also provided to local projects in Germany to help refugees currently residing in German cities. The focus here is on projects aimed at organising temporary accommodation for the people who have just arrived.



Immediately after the war began, EDEKA and Netto Marken-Discount sent a large number of trucks carrying food products and drug store items to Poland and on to the border with Ukraine. The donated goods consisted mostly of urgently needed products such as canned food, bread, drinking water, baby food and hygiene articles. At the border, the goods were collected by Ukrainian aid organisations and distributed directly to the people in Ukraine.

Through their enormous willingness to help and their empathy, EDEKA retailers and customers also made and are continuing to make a significant contribution to supporting the people particularly affected by the war, through many individual local campaigns.

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Concept and design:  
EDEKA Media GmbH

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This publication is available on the Internet at [geschaeftsbericht.edeka.de](http://geschaeftsbericht.edeka.de), where it can also be ordered as a printed version.



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