

EDEKA AND WWF STRATEGIC PARTNERSHIP

PROGRESS REPORT 2019

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1. PARTNERSHIP FOR SUSTAINABILITY

1.1 INTRODUCTION

“The global rate of species extinction is at least by a factor of ten to hundreds of times higher than the average over the past ten million years, and it is growing.” The findings of the latest report World Biodiversity Council¹ are alarming. Of the estimated eight million animal and plant species worldwide, around one million are threatened with extinction. Humans are to blame for this. By intensifying agriculture, forestry and fisheries, deforestation of particularly species-rich forests, overexploitation of natural resources, destruction and alteration of habitats such as mangrove forests and global warming, we are endangering biodiversity on an unprecedented scale. If the threshold value of two degrees Celsius of global temperature increase were to be exceeded, it would have serious consequences for biodiversity. There is a high probability that 99 per cent of coral reefs would die.² Today some 23 per cent of the planet’s land area is already considered ecologically depleted and can no longer be farmed. In addition, the mass mortality of bees and other pollinating insects in food production may already lead to losses of up to 524 billion euros – per year.³

1 See: <https://www.bmbf.de/de/weltbiodiversitaetsrat-weltweiter-verlust-von-arten-bedroht-unsere-lebensgrundlage-8547.html> (18/11/2019)

See: <https://www.de-ipbes.de/de/Massiver-Verlust-von-Biodiversitat-Globaler-IPBES-Bericht-in-Paris-vorgestellt-1908.html> (18/11/2019)

2 IPBES Report, p. 7. See: https://ipbes.net/sites/default/files/downloads/spm_unedited_advance_for_posting_htn.pdf (18/11/2019)

3 *ibid.* p. 2

The situation is serious, but not hopeless! There is still time to bring this dramatic surge in species extinction to a halt. But for this to happen, far-reaching and globally coordinated environmental protection measures will need to be taken – now. The year 2020 will potentially mark a pivotal point in this effort. At the World Summit on Biodiversity in Kunming in October, the guidelines for future global nature conservation policy for the next ten years will be laid down. **The Sustainable Development Goals (SDGs)** – the United Nations' sustainability goals for the period until 2030, which aim to reconcile global economic progress with social justice and ecological limits – are also being reviewed. Moreover, new climate protection targets will be set at the World Climate Conference in Glasgow, Scotland, in November.

But it is not only the international community at government level that can contribute to the protection of biodiversity and the climate – civil society and companies can also do their part.

The strategic partnership between EDEKA and the WWF, which has been in place for over ten years, also helps in achieving the ambitious SDGs and in protecting biodiversity. With sustainable and certified products and cultivation methods as well as innovative environmental protection measures, one of Germany's leading food retailers and one of the largest environmental protection organisations in the world are working together to make a contribution towards achieving the SDGs.

The fact that this seventh progress report places the partnership in the context of these targets and of increasingly threatened biodiversity on a global scale also bears witness to the great ambitions that this partnership aspires to. What started out as an effort to optimise some of EDEKA's products has now spread throughout Germany's entire retail food sector. Market penetration by sustainably produced and certified private labels, whether MSC, FSC®, Blauer Engel (blue angel) or ecologically produced

food, has gained further ever since. Furthermore, attention is also paid to issues that call for the development of new approaches and procedures, for example in dealing with the increasing flood of packaging. Yet EDEKA and the WWF are not planning to rest on their laurels. In order to preserve the resources of our planet that are under threat – and, therefore, including the societal and economic basis of our lives – we will continue to work together with our increasingly environmentally aware consumers to make production more environmentally friendly and sustainable.

By detailing progress in eight separate subject areas and using numerous concrete examples, this report highlights the links between global challenges such as the loss of biodiversity on the one hand, and the specific objectives of the partnership on the other. It shows that the retail food industry can make a decisive contribution to global environmental protection by implementing individual approaches along the entire supply chain and by instigating its own

cultivation projects such as the banana or citrus project or the “*Landwirtschaft für Artenvielfalt*” (agriculture for biodiversity) programme.

Yet the report does not hide the fact that major challenges still remain in the transition to sustainable and environmentally friendly food retailing. In view of accelerating species extinction and man-made climate change, we cannot afford to waste time in solving these tasks.

FIND OUT MORE ABOUT THE STRATEGIC PARTNERSHIP BETWEEN EDEKA AND THE WWF AT:

www.edeka.de/wwf
www.wwf.de/edeka

WHAT IS BIODIVERSITY AND WHY DOES IT MATTER TO US?

The term biodiversity describes the diversity within species and the diversity of ecosystems. Species diversity is part of biological diversity and describes the abundance of different species in an ecosystem. The decline in biodiversity observed worldwide is alarming and the loss of habitats, species and genes leads to an impoverishment of our natural environment. This threatens the very basis of human life and is therefore one of the greatest challenges of our time.⁴

⁴ See also: <https://www.bfn.de/themen/biologische-vielfalt/uebereinkommen-ueber-die-biologische-vielfalt-cbd.html>

THE SUSTAINABLE DEVELOPMENT GOALS

In the year 2015, the United Nations adopted the Agenda 2030. Through the Sustainable Development Goals (SDGs), the United Nations, together with civil society, the scientific community and the private sector, aims to shape socially, ecologically and economically sustainable development.



In our Partnership for Sustainability, the WWF and EDEKA have been working together for ten years to make a contribution towards achieving these 17 sustainability targets.

EDEKA AND THE WWF: A JOINT CONTRIBUTION TOWARDS THE SDGS

In addition to the overarching SDGs 12, 15 and 17, other SDGs pertaining to all subject areas and projects within the partnership between the WWF and EDEKA also contribute towards achieving the Agenda 2030.

12 Sustainable consumption and responsible production

The partnership promotes sustainable consumption, including through the strengthening of certification systems, and by making improvements in the supply chain. In addition, product-related communication creates incentives for customers to choose sustainable products.

15 Life on Land

Protect and restore terrestrial ecosystems and promote their sustainable use, manage forests sustainably, combat desertification, halt and reverse land degradation and halt biodiversity loss: preserving biodiversity is one of the primary tasks of the 21st century. Intact ecosystems provide clean air to breathe, clean drinking water and

ensure the preservation of endangered species. Since agriculture threatens the preservation of biodiversity through the cultivation of monocultures and by clearing land for further cultivation, the WWF and EDEKA are working in this strategic partnership to protect biodiversity in a targeted manner. We do this by strengthening certification systems, making supply chains more sustainable, reducing greenhouse gas emissions and by implementing field projects that reconcile economic and ecological imperatives and which serve as pilot projects and models for best practice projects.

17 Strengthening global partnerships

The strategic partnership between EDEKA and the WWF has a transformative effect and generates ecological impulses that have

an impact beyond our specific collaboration. This is confirmed by a study commissioned by the Federal Environment Agency and implemented by the Independent Institute for Environmental Issues (UfU), the Institute for Ecological Economic Research (IÖW) and UPJ, a network of companies and non-profit intermediary organisations committed to this cause.

2 Achieve food security, end hunger: This goal is pursued within the framework of the partnership in particular through the consistent use of certified raw materials. Achieving sustainability on agricultural land will ensure food production and contribute to the preservation of ecosystems.

3 A healthy life for everybody: Within the framework of the partnership, agricultural projects are implemented and certification systems are used that promote sustainable agriculture and have a positive impact on soil quality and biodiversity. This results in compliance with stricter regulations for the use of pesticides and fertilizers, further reducing the health risks for the local population.

6 Clean water and sanitation: Effective freshwater resource management significantly increases

the efficiency of water use and ensures sustainable extraction and supply of freshwater. Through the establishment of standardised systems for the protection and conservation of fresh water (GGAP & AWS) and through project work, improved cultivation and water management systems are implemented together with EDEKA suppliers.

7 Affordable, clean energy: A key goal in the subject area of climate: increasing energy efficiency. This is achieved, for example, by switching to energy-efficient lighting and refrigeration technology, by acquiring more fuel-efficient vehicles, and by optimising processes. To this end, the share of energy used that is provided by renewable energies will be progressively increased, for example by generating electricity from photovoltaics at our own locations.

8 Humane working conditions and economic growth: Not only do EDEKA and the WWF intend to improve individual products; they also systematically plan to make entire supply chains more sustainable in the long term. To this end, attention to environmental and social aspects is made an integral element of the procurement process. Doing so helps in gradually improving the efficiency

of resource use worldwide in both production and consumption.

13 Climate protection measures: Given the reality of climate change continuing unabated, every enterprise must assume responsibility and make a contribution by including climate protection measures in all their strategic and corporate planning. The most important basic prerequisite for climate management in the company has been met: together with the WWF, we defined a target, and the necessary data basis has been established by means of certified climate assessments. The protection of mangrove forests in the area of marine conservation also contributes to climate change mitigation, as these forests bind up to five times more carbon dioxide than other forests.

14 Life under water: Most fish stocks are now overfished or exploited to their limits. A key element since the inception of this partnership has been the goal of conserving ecosystems through regulated fishing methods and by reducing unwanted by-catch. Due to their role as a nursery for marine biodiversity, the protection of mangroves is also being pursued within the partnership.

1.2 HOW PROGRESS IS MEASURED

The co-operative venture between EDEKA and the WWF is based on binding targets agreed. As part of an annual monitoring process, the status of implementing these targets is recorded and documented as at 30 June. The findings in this report represent progress achieved during the period from 01/07/2018 to 30/06/2019. The report presents progress made by comparing current data with the previous year's results. A comparison is also made with the starting situation, the so-called "baseline"⁵. Changes since the previous year are described in the section "Overview of target achievement"; the comparison of the latest data against the baseline are presented in the corresponding data tables and in the status text.

For the quantitative targets, the task is to determine how many EDEKA private label products or how many articles have been changed over to more sustainable alternatives. As well as the private label products, this also applies to internal consumables such as printing paper and hygiene

products used at EDEKA Zentrale Hamburg. One exception is the subject area of Freshwater. Here, the sales quantities (in kilograms) are used for the assessment. Changeover here is understood to mean the reduction of risks through certification, or the implementation of relevant workshops by the suppliers.

To review the results, random samples of the different types of documentation such as contract documents or quantity declarations are subjected to random inspection. In addition, interviews structured according to guidelines are conducted on the successes, experiences and challenges of the changeover process will be conducted in order to better classify and evaluate the findings.

Since 2019, quantitative data has been collected in six of the eight subject areas. Newly added were the subject areas Freshwater and Packaging. The monitoring in the subject areas Fish and Seafood, Wood, Paper and Tissue, Palm Oil and Soya/More Sustainable Livestock

Feed as well as in the segment of product-related communication in Co-Branding remains as is.

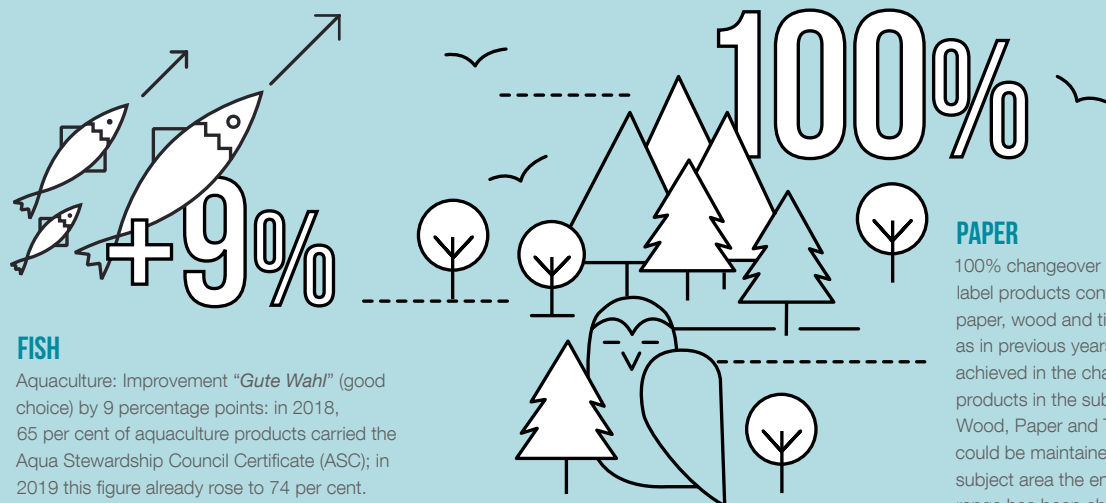
The private-label catalogue from the year in which progress is measured serves as the basis for the monitoring.⁶ It reflects the entire private label range at a known point in time and makes it possible to estimate how many changed-over products are available to consumers.

1.3 EXTERNAL AUDIT OF PROGRESS

An independent auditor reviews selected quantitative data collected by WWF. The aim is to ensure that the selected quantitative information is critically assessed and meets the standards of the Global Reporting Initiative (GRI) – accuracy, balance, comprehensibility, comparability, reliability and timeliness – to a limited degree of certainty.⁷



- 5 The year in which the baseline survey was conducted varies and depends on when the individual subject areas were included in monitoring target achievements.
- 6 The private label catalogue is used within the EDEKA Group for marketing and distribution of the private labels and represents a possible reference basis for monitoring purposes. The private-label catalogue 2018/19 was used for the subject areas of wood, paper and tissue, palm oil and packaging. To maintain consistency with the reports from preceding years, the latest private-label catalogue (2019/2020) was used for the monitoring of fish and seafood. Since the monitoring in the subject areas Soya/More Sustainable Livestock Feed and Freshwater is concerned with quantities, the private-label catalogue is not relevant in these areas.
- 7 Based on the Sustainability Reporting Standards laid down by the Global Reporting Initiative (GRI).



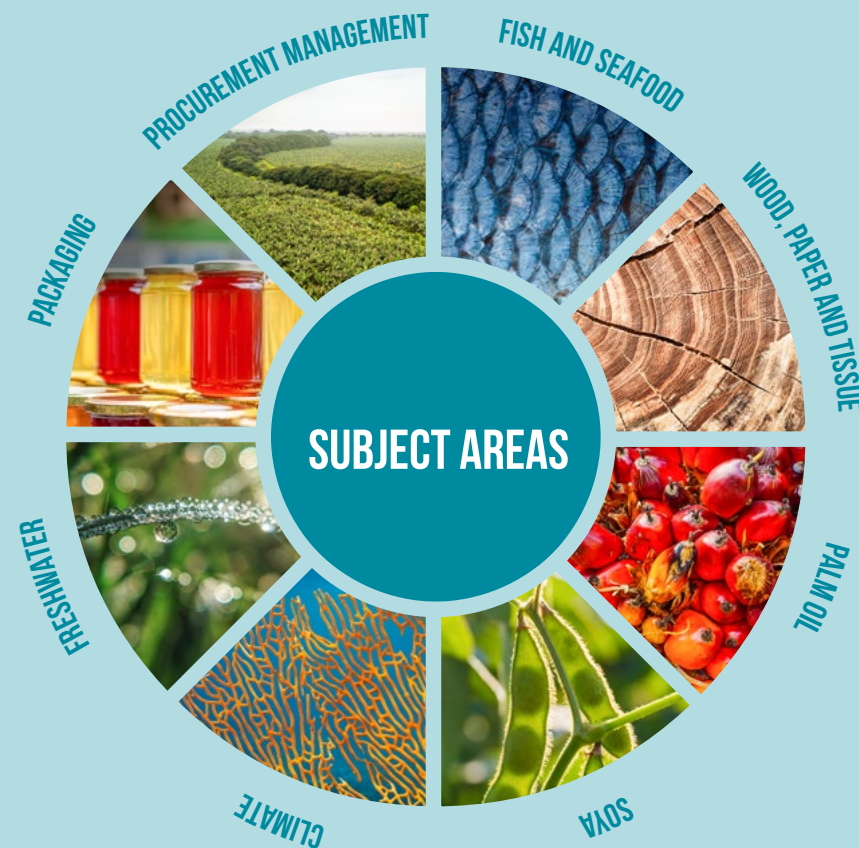
1.4 OVERVIEW OF PROGRESS ACHIEVED

In **fish and seafood** we again managed to make progress this year towards an EDEKA private-label product range that will be changed over completely to sustainable sources. Almost 80 per cent of the private labels already come from sustainable sources.⁸ Good progress was made especially in the aquaculture segment: in 2018, 65 per cent of aquaculture products carried the Aqua-Stewardship-Council (ASC) certificate; in 2019 this figure had already risen to 74 per cent. Given the significant increase in the number of articles in the range, the result is all the more pleasing. However, two

articles – Seafood cocktail Marseille and Seafood cocktail di Mare – had to be classified in the category "Preferably Not" because the squid (*Loligo duvauceli*) contained in these items is caught in the Indian Ocean using bottom trawl nets. Both of these articles will be given special attention in the coming year.

As in previous years, the high rate of changeover in products in the subject area **Wood, Paper and Tissue** could be maintained. In this subject area the entire product range has been changed over to Recycling, FSC® or Blauer Engel (blue angel). In internal

consumption, i.e., for cost items like paper carry bags and bakery bags, as well as internal paper consumption and at EDEKA's publishing operation, the already high rates of target achievement of around 95 to 100 per cent changeover to FSC®/ Recycling of the previous year were maintained. Moreover, an assessment of the degree of changeover in outer cardboard packaging was successfully carried out for the first time this year. The assessment found that for 96 per cent of articles⁹ suppliers were contractually obliged to use cardboard outer packaging made from recycled materials.

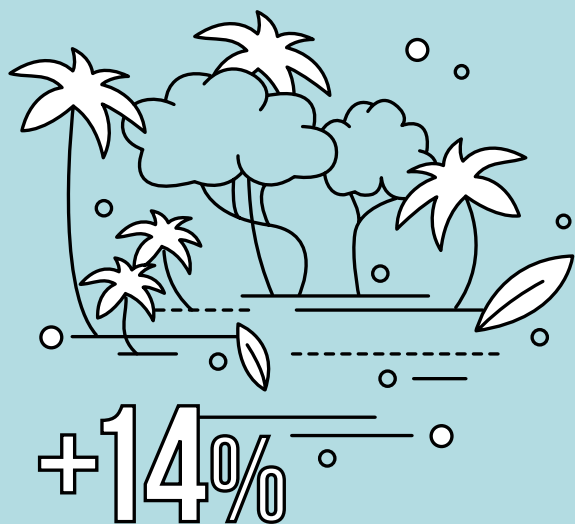


8 Sustainable sources here refers to fisheries and farms that are certified according to an environmental standard recognised by the WWF (e.g., MSC, Bioland, Naturland) or are listed as sustainable sources in the WWF fish and seafood database (scores 1 and 2).

9 Random sampling (n=100)

PALM OIL

Derivatives & Fractions: 73.11% of products have been changed over to the Segregated or Mass Balance trading models, an increase of 14 percentage points compared with 2018.



In the changeover to certified [palm oil](#), the high level achieved for pure palm oil in the previous year was almost matched, at just under 97 per cent. Significant increases in the share of certified palm oil components were achieved both in palm kernel oil, which rose by around eight percentage points to just under 98 per cent in 2019, and in palm oil derivatives and fractions. In this segment, over 73 per cent of ingredients have now been

changed over to the trading models Segregated or Mass Balance, an increase of 14 percentage points compared with 2018.

Progress has also been recorded in the subject area [Soya/More Sustainable Livestock Feed](#). For example, in the pilot project “*Eier aus Bodenhaltung*” (barn-laid eggs) of the GUT&GÜNSTIG brand, it was written into the contract that domestic or European feed or more



SOYA
Hofglück-Programm of EDEKA Zentrale together with the EDEKA region Southwest: Complete changeover to certified, more sustainable soya or domestically/European-sourced feed since the end of 2018.

sustainable and certified soya free of genetically modified organisms (GMO) be fed as a preference. The aim is to have suppliers switch to alternative sources of feed permanently. The monitoring showed that certified more sustainable feed is used for around 77 per cent of the quantities supplied. The long-term goal remains the changeover to entirely domestically sourced or certified more sustainable feed. Yet another success was notched up with the Hofglück programme, a

project in the Meat/Cold Cuts segment, which is run by EDEKA Zentrale in conjunction with the EDEKA region Southwest. Here, the complete changeover to certified, more sustainable soya or domestic/European feed was completed by the end of 2018.

To allow a meaningful [corporate carbon footprint](#) to be compiled for the EDEKA Group, new web-based software was launched during the reporting period. A review of the efficiency measures implemented at EDEKA Zentrale since 2011 was also carried out. The review was used to produce estimates for the savings in emissions discharged since 2011. The

climate protection measures already implemented or planned show that EDEKA is on course towards achieving its ambitious reduction targets.

Water is a scarce and endangered commodity in many production and cultivation areas. For this reason, the WWF and EDEKA are working together in the subject area [Freshwater](#) to develop a web-based tool for a water management system that is designed to identify and reduce water-related risk factors. This work is already bearing fruit: the EDEKA water risk tool was launched for use in fruit and vegetable cultivation last year. The largest suppliers in terms of turnover of goods already used it to identify water-related risk factors and

identify water-related risk factors and



CLIMATE

EDEKA introduced a new, web-based software solution for the preparation of corporate carbon footprints. Using this software minimises the susceptibility to errors in data collection and ensures improved comparability with future corporate carbon footprints. Moreover, the software helps identify further savings potentials thanks to better evaluation options.



FRESHWATER

Roll-out of EDEKA's water risk tool: The biggest suppliers have identified their water risks and produced initial evidence of reductions achieved using the tool (24%).

PACKAGING

Recycling guide: As early as the beginning of 2019, EDEKA introduced a recycling guide printed on the first batch of private-label packaging. Under the heading "Trennen für die Umwelt" (separating [waste] for the environment), customers are given advice on how to separate and dispose of packaging in an environmentally friendly manner.

were able to provide initial evidence of successes in risk reduction. In addition, this year the key figures for risk transparency and risk reduction were recorded and reported in full for all data available in the tool. The term risk transparency refers to the sales quantities recorded in the EDEKA water risk tool as a proportion of total sales quantities from critical countries of origin. Risk reduction refers to the sales quantities with complete documentation recorded in the EDEKA water risk tool as a proportion of the total sales quantities from critical countries of origin

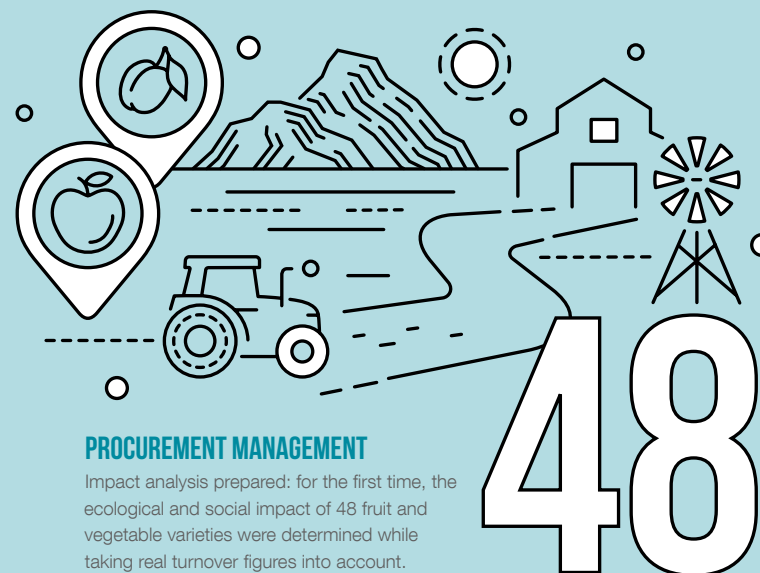
Progress was also made in the subject area **Packaging**: at the beginning of 2019, EDEKA introduced a recycling guide on a first batch of private-label packaging. The aim here is to assist customers in the proper separation and disposal of packaging materials. In addition, six out of seven target agreements were adopted. They relate to targets for the use of recycled material (PET) in the drug store segment and for detergents and cleaning agents, to the elimination or reduction of aluminium in selected product groups, to switching from PVC to other materials in selected product

groups, to reducing the consumption of single-use carry bags and knot bags and, last but not least, to a target for eliminating or optimising packaging in the fruit and vegetable segment. Still pending on the cut-off date of 30/06/2019 was the target about the use of recycled material (PET) for beverage bottles (single use). For five of these sub-targets, a baseline for measuring progress in subsequent years has already been established. For the target agreement on fruit and vegetables, a workshop was held to evaluate private label packaging. Elimination and optimisation potentials

were determined on the basis of individual article groups, and concrete conversion measures were defined. The target for single-use carry bags is to achieve a 30 per cent reduction in carry bags made of plastic or paper that are traded via EDEKA Zentrale by 2022. A reduction in the number of units per square metre of sales space of around 0.5 per cent has been achieved here since 2017. Over the same period, the consumption of raw materials for plastic bags has fallen by around eight per cent, while the consumption of raw materials for paper carrier bags increased by around 19 per cent. In the knot bag

segment, a reduction has already been achieved: in the year 2018 almost eleven per cent fewer knot bags were issued to EDEKA stores than in 2017.

The identification and minimisation of procurement risks is the aim of the subject area **"Procurement management for critical agricultural commodities"**, which has been in place since 2017. To date, procurement risk analyses for 56 country-commodity combinations have been identified and updated. In addition, an impact analysis quantified the environmental impact of the cultivation of 48 fruit and



PROCUREMENT MANAGEMENT

Impact analysis prepared: for the first time, the ecological and social impact of 48 fruit and vegetable varieties were determined while taking real turnover figures into account.

vegetable varieties sold by EDEKA. Among other products, the impact of orange and mandarin cultivation in the citrus project in Spain were examined. The quantitative savings compared with conventional orange and mandarin production were determined, with a particular focus on water consumption and the use of plant protection products.

Last but not least, successes were also recorded in the **field projects of the partnership:** In the **citrus project**, nine orange plantations with a total of 716 hectares of cultivated area were involved

during the reporting period. In 2018, 806 million litres of water were saved on the farms, and biodiversity was promoted in a targeted fashion: 1,327 trees and shrubs were planted, in addition to about 950 aquatic plants on five floating islands with a combined area of 24 square metres. In addition, 35 perches for birds of prey and 16 nesting boxes were installed, and a total of 1,125 metres of stone walls as habitats for reptiles were partially completed and placed under protection.

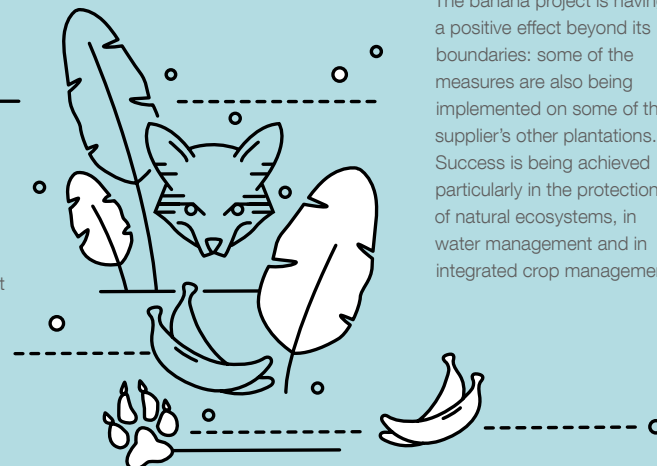
In the **banana project** in Colombia and Ecuador, the specifications were

reviewed and expanded. During a visit by WWF to the project farms in April 2019, it was found that the project is producing positive effects beyond its own boundaries: some of the successful measures are already being implemented on the supplier's other farms. This is a clear demonstration that the benefit derived from these measures is such that the farms will implement even without having received prior assurances from the EDEKA distribution channel. Particularly in the protection of natural ecosystems, in water management and in integrated crop management, great successes have been achieved.



CITRUS PROJECT

Promoting biodiversity through targeted measures: Throughout the project plantations, some 1,327 trees and shrubs were planted, five floating islands with a combined area of 24m² were created and are carrying 950 aquatic plants, 35 perches for birds of prey and 16 nesting boxes were installed, and a total of 1,125 metres of stone walls as habitats for reptiles were partially completed and placed under protection.

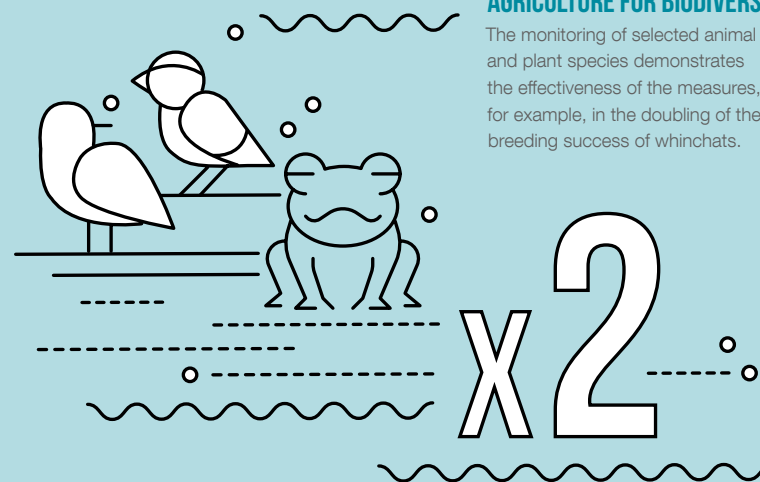


BANANA PROJECT

The banana project is having a positive effect beyond its boundaries: some of the measures are also being implemented on some of the supplier's other plantations. Success is being achieved particularly in the protection of natural ecosystems, in water management and in integrated crop management.

AGRICULTURE FOR BIODIVERSITY

The monitoring of selected animal and plant species demonstrates the effectiveness of the measures, for example, in the doubling of the breeding success of whinchats.



The organic cultivation project **“Agriculture for Biodiversity”** managed to attract eleven additional growers last year. This project, which is being conducted since 2012 in collaboration with the EDEKA region North, the meat processing facility EDEKA North and the growers' association Biopark e.V., has been also represented in the EDEKA region Southwest with products from organic farming since 2019. The monitoring of selected animal and plant species carried out by the Leibniz-Centre for Agricultural Landscape Research e.V. (ZALF) as part of the project demonstrates the effectiveness of the measures. Over the last three years, for example, a doubling of the breeding success of the endangered whinchats

was recorded in nine project farms. A number of different species of butterfly also benefit from the measures: four times as many butterflies were counted on unmown strips of meadow than on mown areas. In addition, wild plant species such as the endangered field buttercup are now returning to the participating farms.

The so-called co-branded products are also a fixed component of the strategic partnership between the WWF and EDEKA. These products, which carry the WWF logo, help customers make environmentally sound choices in their shopping. On 30/06/2019, the EDEKA product range included 312 products carrying the panda logo. 195 of them are certified organic

(EU Organic Regulation, Naturland, Bioland or comparable organic associations), 49 carry the MSC certificate, 39 the Forest Stewardship Council certificate (FSC®) and 29 were awarded the Blauer Engel (blue angel).

Despite the many achievements of the ten-year partnership, there is still an urgent need for action. The fish and seafood range, for example, is to be completely changed over to certified and sustainable products, the recycling rate for paper, cardboard and hygiene products is to be increased by 2022, and articles containing derivatives and fractions of palm oil are to be changed over from purchased “Book & Claim” certificates to RSPO¹⁰

Mass Balance-certified components. Among the greater challenges are the changes required for at least 30 per cent of the palm oil used in EDEKA private labels to be in conformance with the criteria of the Palm Oil Innovation Group (POIG)¹¹ and the realisation of the ambitious targets in the subject area Soya/More sustainable livestock feed. Last but not least, the strategic partnership between the WWF and EDEKA is aiming to achieve additional climate protection targets. In the future, certified corporate carbon footprints are to be published, and the Climate Supplier Initiative – an association of various industry players joining in joint climate protection measures along the supply chain – is to be launched.

10 Round Table on Sustainable Palm Oil

11 The Palm Oil Innovation Group is a multi-stakeholder initiative established in the year 2013 with the aim of implementing innovative and sustainable practices in palm oil cultivation together with participants along the entire supply chain. The POIG operates according to the principles and criteria of the RSPO and is calling for the implementation of additional requirements.

12 Improvement by more than five per cent compared to the previous year's result where targets have remained unchanged.

13 If the level of achievement is greater than 95 per cent.

14 Targets whose achievement is linked to another target are rated as “targets in progress”.

15 Deterioration by more than five per cent compared to the previous year's result where targets have remained unchanged.

16 If a target misses an agreed deadline for the first time. In subsequent years the target is rated as a “target in progress” until the target has been reached.





17 Depending on the degree of maturity and on the sub-target concerned, the horizontal arrow can either indicate that a steady and continuous trend is expected in pursuing the target, or that it cannot be assessed unambiguously at present, for example due to structural conditions or a dependence on market trends.

1.5 METHODOLOGY USED IN THE ASSESSMENT

The progress report describes the individual sub-targets and details the progress achieved in the respective targets. The assessment is shown in comparison to the previous year's result. The cut-off date in each case is 30 June. The following assessment categories are available:

-  Target achieved
-  Significant improvement over previous year¹² / Significant level of target achievement¹³
-  Target in progress/Baseline compiled¹⁴
-  Significant deterioration / Target achievement in jeopardy¹⁵
-  Target missed¹⁶

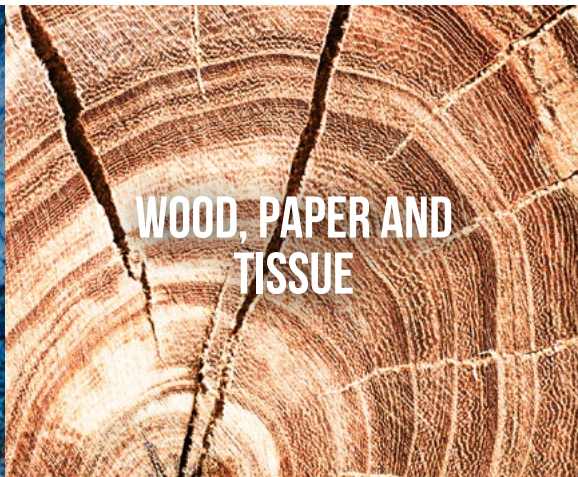
The “Outlook” column provides an estimation of the development to be expected leading up to the monitoring in 2020. The following assessment categories are available here:

-  Target achieved
-  Positive trend discernible
-  No clear trend discernible¹⁷
-  Negative trend discernible, target achievement not in sight

Targets already achieved in previous years are shown separately under “Accomplishments”, stating the year in which they were achieved. Existing levels for targets achieved were maintained.



FISH AND SEAFOOD



WOOD, PAPER AND TISSUE



PALM OIL

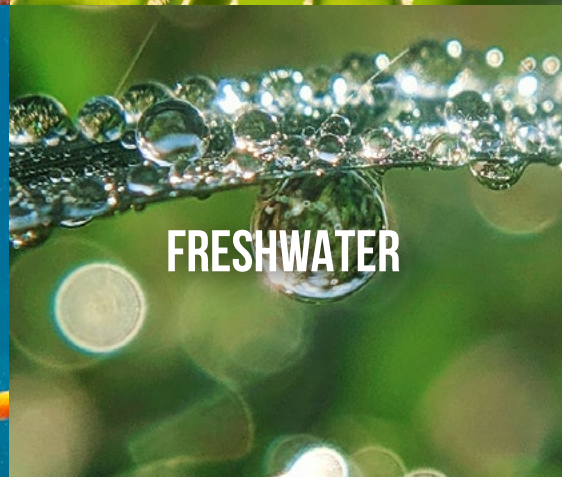


SOYA

**2.
PROGRESS
ACHIEVED IN THE
SUBJECT AREAS**



CLIMATE



FRESHWATER



PACKAGING



**PROCUREMENT
MANAGEMENT**

2.1

FISH AND SEAFOOD

EDEKA and the WWF promote regulated fishing methods that protect ecosystems and reduce unwanted by-catch. The protection of mangrove forests also contributes to climate change mitigation, since they bind up to five times more carbon dioxide than other forests.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



BIODIVERSITY HOTSPOTS IN WATER:

Preserving habitats on the high seas and in mangrove forests



FOR GREATER BIODIVERSITY ON THE HIGH SEAS

Average fish consumption per capita worldwide has doubled over the last 50 years. For this reason, fishing takes place predominantly in areas where fish populations are high. But precisely in those areas there is a lack of binding rules to prevent overfishing and by-catch. Moreover, there is virtually no oversight in those areas. This will inevitably have consequences. Between 1970 and 2010 alone, the number of edible fish in the oceans has halved. 93 per cent of fish stocks are now overfished or exploited to their limits. EDEKA and the WWF are therefore committed to promoting sustainable fishing and fighting the extinction of species in the oceans.

MANGROVE FORESTS ARE THE NURSERY FOR MARINE SPECIES

Mangroves have a vital role in the fight against the extinction of species. Not only do they provide a habitat for numerous species of fish, but also for a variety of mammals, reptiles and birds. Yet in the last 70 years, about half of all mangroves worldwide have been destroyed. Aquaculture operations producing shrimps for export in South East Asia are one of the main drivers in the loss of mangroves. For this reason, EDEKA now only carries certified shrimps in its private-label product range. One of the aims of this measure is to prevent mangroves having to make way for shrimp farms.

TARGET

By 31/05/2022, EDEKA intends to fully convert the fish and seafood product range in its private labels to sustainable goods. The aim is to achieve a 100 percent sustainable range of branded products and manufacturer brands through an ongoing dialogue with suppliers and producers, even though EDEKA can only exert its influence in this area indirectly.

To protect special habitats, reduce by-catch and make fisheries management sustainable, the partners are working to promote innovative methods of fishing. The aim is to improve the ability to backtrack the supply chains. For farmed fish, improvements are to be achieved through a joint project. The highly endangered species eel, ray, wild sturgeon and shark will continue to be excluded from the range.

In addition, EDEKA and the WWF are developing a risk analysis tool for checking compliance with EU rules against illegal, unregulated and undocumented fishing (IUU). To prevent fish products sourced from illegal fishing operations ending up on

German shelves, all the steps from catching to processing and trading must be documented. This will result in ultimate proof that the fish has really been sourced from the fishery claimed on the product label. EDEKA suppliers should then implement suitable measures designed to minimise risks.

At the fresh food counters of the EDEKA Group, work is ongoing to change the product range to include more sustainable sources, and to improve consumer information (counter certification, changes to product range, promotions). The WWF monitors the status of the implementation by collecting random samples at the EDEKA stores in various regions. This gives both partners a clearer picture of the progress achieved in the implementation of the sustainability criteria at the store level.

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET		STATUS 30/06/2019	OUTLOOK
Changover of private-label product range to sustainable products			
EDEKA private labels	→	80% "Good Choice" products, 18% "Second Choice", 2% "Preferably not"	↩
of which, wild fish (75%)	→	82% "Good Choice" products, 15% "Second Choice", 2% "Preferably not" ¹⁸	↩
of which aquaculture (25%)	↗	74% "Good Choice" products, 26% "Second Choice", 0% "Preferably not"	↩
Animal feed and pet food	→	11% "Good Choice" products, 22% "Second Choice", 67% "Preferably not"	↩
Delisting of endangered species ¹⁹ (*)	↗	Random compliance checks revealed inappropriate behaviour at two stores.	↩
Targets not directly related to the product range			
Projects to make improvements in the field of aquaculture	→	A project proposal has been submitted to EDEKA for review.	↩
Improving traceability and transparency along the supply chain	↗	The trial of a risk assessment tool in fisheries supply chains is ongoing. Initial positive findings are available.	↩
Sponsoring in the area of fisheries/aquaculture projects	→	The partners have not yet agreed on a project. Criteria for project design are being developed.	↩
Improvements to the product range and to information displayed at fish counters	→	The declaration at EDEKA fish counters is generally complete. The number of certified fish counters is stagnating.	↩

18 Percentages are rounded and will therefore not always add up to exactly 100 per cent.

19 With a total number of more than 13,000 stores and approx. 4,000 self-employed retailers. 70 stores were screened.

STATUS

The changeover in EDEKA's range of fish products made further progress in the 2019 reporting period. Four out of five fish products at EDEKA have been assessed as "Good Choice" by the WWF. The inclusion of 23 delicatessen salads from the exclusive "Frisch & Fein" (fresh and

fine) brand led to a significant increase in the total number of articles (from 93 in 2018 to the current 122). These salads are available at the fresh fish counters. The fish ingredients used here are predominantly MSC herring and ASC-certified shrimps which have been assessed as a "Good

STATUS SURVEY

Considered part of the fish and seafood range are all products featuring the word "fish" or the name of a fish species in their trade name, as well as all products containing at least 15% fish. All products that were included in the product range at the cut-off date of 30/06/2019, as well as promotional articles that were temporarily in the range since 01/07/2018.

The WWF has non-certified fisheries evaluated by independent experts using a transparent method. The criteria are: condition of the fish stock status, ecological impact and management of the fish stock. The assessment are summarised in the WWF fish database. At wwf.de/fischratgeber the assessments for the most important fish species are explained.

Products are rated "Good Choice" (green) if they are certified according to an environmental standard recognised by the WWF (MSC for wild fish,

ASC, EU organic or *Naturland* for farmed fish), or if they are rated 1-2 in the WWF fish database. Score 3 is equivalent to a "Second Choice" rating (yellow), and the scores 4-5 are rated as "Preferably Not" (red).

The monitoring gives the worst rating to products purchased from different suppliers but sold under the same name and in visually identical packaging and whose fish ingredients come from fisheries with different ratings.



Photo: Antonio Busiello WWF US

Choice" by the WWF. However, two new products were rated "Preferably Not" by the WWF: the "Seafood cocktail Marseille" and the "Seafood cocktail di Mare" contain squid (*Loligo duvauceli*) that is caught in the Indian Ocean using bottom trawl nets. This fishery has a score of 5 in the WWF database due to the lack of reliable management of the fishery and due to the occurrence of by-catches of dolphins and turtles. Changing this article over to a sustainable source therefore represents an important task for the next reporting period.

Among other items, EDEKA has newly included a number of fresh fish fillets in the product range. While three of the articles are MSC-certified and therefore fall into the category "Good Choice", the farmed salmon fillet from Norway is unfortunately only "Second Choice" in terms of sustainability. Overall, achieving the changeover in salmon products from aquaculture remains a challenge. In addition to the fillets, there are also mixed products such as sushi and lasagna with salmon.

In total, the share of products rated as "Good Choice" increased by around three percentage points to 80 per cent in the last reporting period. The improvement was even more pronounced in the aquaculture segment. Here, 74 per cent of the products are now rated as "Good Choice" – an increase of nine percentage points. There were no significant changes in pet food containing fish ingredients. In this area the concept of sustainability has not yet been sufficiently accepted by the market participants. Despite the

TREND FOR THE EDEKA PRIVATE-LABEL FISH AND SEAFOOD PRODUCT RANGE.

positive trends in some areas, the pace of conversion is not sufficient to achieve the goal of a fully sustainable fish product range by the year 2022.

In addition to their work on the product range, the WWF and EDEKA have also adopted shared positions on fisheries-related issues on the international stage. This includes an appeal to delegates to the International Conference for the Conservation of Atlantic Tunas (ICCAT) to regulate tuna fishing in the Atlantic Ocean. The demands include better monitoring of fishing activities and measures to reduce by-catch. The partners also contributed to a submission calling for further development of the MSC standard.

PRODUCT LINE EDEKA PRIVATE LABEL		TOTAL NUMBER OF PRODUCTS	ASC	ORGANIC	MSC	SCORE 1	SCORE 2	SCORE 3	SCORE 4	SCORE 5
Baseline 2012	Products	81	0	2	45	0	3	31	0	0
	per cent	100%	0%	2%	56%	0%	4%	38%	0%	0%
2013 survey	Products	80	1	5	42	1	1	30	0	0
	per cent	100%	1%	6%	53%	1%	1%	38%	0%	0%
2014 survey	Products	71	2	4	44	0	2	19	0	0
	per cent	100%	3%	6%	62%	0%	3%	27%	0%	0%
2015 survey	Products	78	1	3	49	0	3	22	0	0
	per cent	100%	1%	4%	63%	0%	4%	28%	0%	0%
2016 survey	Products	81	4	3	52	0	1	21	0	0
	per cent	100%	1%	4%	63%	0%	4%	28%	0%	0%
2017 survey	Products	88	12	3	52	0	2	17	2	0
	per cent	100%	14%	3%	59%	0%	2%	19%	2%	0%
2018 survey	Products	93	10	3	58	0	1	21	0	0
	per cent	100%	11%	3%	62%	0%	1%	23%	0%	0%
2019 survey	Products	122	19	3	74	0	2	22	0	2
	per cent	100%	16%	2%	61%	0%	2%	18%	0%	2%

- GOOD CHOICE
- SECOND CHOICE
- PREFERABLY NOT

**FOR MORE INFORMATION
ON THE SUBJECT OF FISH
& SEAFOOD, GO TO:**

www.edeka.de/wwf/fisch
www.wwf.de/edeka-fisch

Table 1: Products with certifications in accordance with the EU Organic Regulation and with Naturland are grouped together in the category "Organic". For information about the methodology, see "Status survey". Percentages are rounded and will therefore not always add up to 100 per cent exactly.

DEVELOPMENT OF THE EDEKA PRIVATE-LABEL PRODUCT RANGE

Fish and seafood

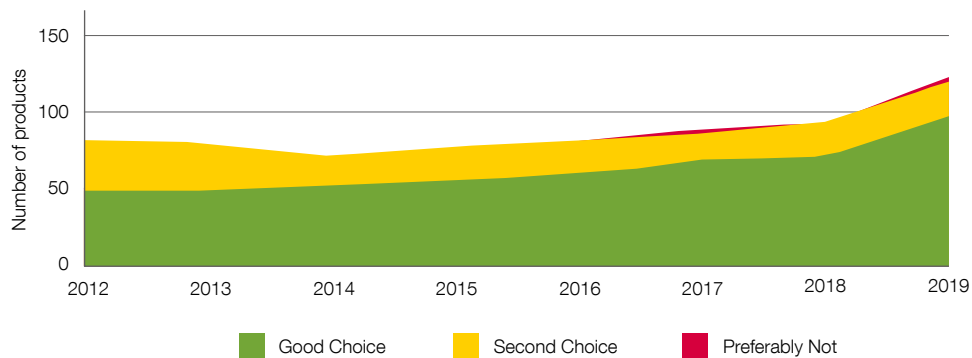


Fig. 1: Trend for the EDEKA private-label product range in the subject area Fish and Seafood since 2012.

The use of a risk assessment guide to prevent illegal, unregulated and undocumented fisheries (IUU) is being tested. The assessment is aimed at minimising the risk of fish from IUU fisheries reaching the supply chain. Initial results obtained for yellowfin tuna steaks reflect low risks in terms of fishing practices. The next step will be a closer examination of the processing and transportation stages.

The partners have discussed various options for EDEKA to become involved in a Fishery Improvement Project (FIP) or an Aquaculture Improvement Project (AIP) but have not yet reached

agreement on a specific project. As was the case last year, EDEKA procures Argentine red shrimp from an FIP in which the WWF is participating. This product is not included in the status survey described above, as progress here is measured using a different method. Regular reports on progress in this project are posted on the www.fisheryprogress.org/fip-profile/argentina-onshore-red-shrimp-bottom-trawl page.

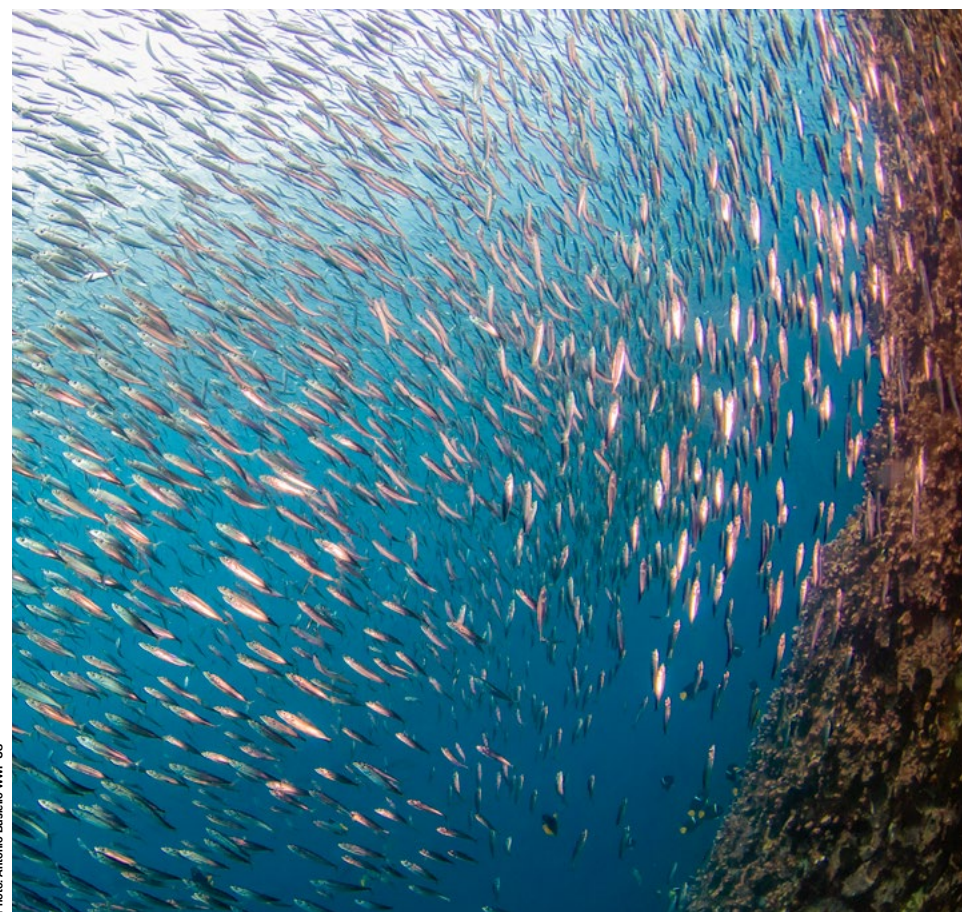


Photo: Antonio Buisiello WWF US

ACCOMPLISHMENTS

SUB-TARGET

PROGRESS ACHIEVED

Changeover of the EDEKA private label Cash & Carry (C&C) to sustainable sources

100% (two products) MSC

06/2014



2.2

WOOD, PAPER, TISSUE

Consistent use of the FSC® certification scheme can help to expand and strengthen sustainable forest management. Sustainable forest management, in turn, results in cleaner air and better quality groundwater, and it can create income and jobs, and it also contributes to climate protection.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



BIODIVERSITY HOTSPOT ON LAND:

Preserving forests and
their denizens



FORESTS WITH ABUNDANT SPECIES

80 per cent of all terrestrial plants and animals live in forests. Tropical rainforests in particular are biodiversity hotspots. While only covering seven per cent of the usable surface of the planet, they are home to 50 per cent of all animal and plant species.²⁰

FORESTS WORLDWIDE ARE ENDANGERED

Rainforests have been felled for the benefit of the timber industry on a large scale for decades; at the same time, the global hunger for meat has led to slash-and-burn clearing of forests. Between 1990 and 2015 alone, an area of natural forest almost seven times the size of Germany was destroyed.²¹ Especially in the Amazon, but also in Russia, Asia and Africa, forests are disappearing at a rapid rate.

HOW HUMANS INTERACT WITH NATURE

And yet, responsible forest management can prevent the destruction of the forest habitat. Certification systems that protect forests with high biodiversity and promote sustainable forest use are able to bring ecology and economy into harmony. They enable consumers to choose products from more environmentally and socially responsible agriculture and forest management, thus protecting forests that have a high level of biodiversity.²² This is why EDEKA, in co-operation with the WWF, has changed over to sustainably produced, certified alternatives for all its private-label products made of wood, paper or tissue.

²⁰ <https://www.carbon-connect.ch/de/klimalounge/news-detail/143/co2-speicherkapazitaet-der-regenwaelder-laesst-nach-der-wald-sieht-rot-teil-1/> (18/11/2019)

²¹ WWF Germany (2018): Die schwindenden Wälder der Welt – Zustand, Trends, Lösungswege – WWF-Waldbericht 2018, [The world's disappearing forests – status, trends, possible solutions – WWF Forest Report 2018]. p. 2.

²² Ibid., p. 17

TARGET

EDEKA intends to change over all wood and paper private label products, including consumer packaging, to alternative sources, preferably recycled materials carrying the Blauer Engel (blue angel) or FSC® seal. This target also applies to all transport and shipping packaging of private labels and to all packaging materials, and it is to be achieved by the end of 2017. EDEKA continues to work vigorously towards meeting this target. All labels, printed operating instructions, and even wooden ice-cream sticks are to be changed over no later than the end of 2020.

ensure that functionality and stability are not impaired. With paper and cellulose products such as kitchen cloth, there is still potential for further increasing the proportion of recycled materials. However, in the search for alternative product packaging, food safety must always be taken into account.²³ As long as printing companies continue to use mineral oil-based inks, there is a risk of transferring mineral oil residues to food. Within the framework of the partnership, this matter will continue to be investigated, and concrete measures will be taken to address it.

With regard to transport and shipping packaging to alternative sources, testing is carried out beforehand to

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET	STATUS 30/06/2019	OUTLOOK
Changeover to FSC®/Recycling products		
Tissue products	↑ 100% carry Blauer Engel (blue angel)/FSC® (100%, mix or Recycling) certification. Work is continuing to further increase the proportion of recycled materials (FSC® Recycling or Blauer Engel (blue angel)).	↪
Paper, office and stationery products	↑ 100% carry Blauer Engel (blue angel)/FSC® (100%, mix or Recycling) certification. Work is continuing to further increase the proportion of recycled materials (FSC® Recycling or Blauer Engel (blue angel)).	↪
Changover to FSC®/Recycling packaging		
End consumer packaging	↗ 95.10 % of end consumer packaging has been changed over.	↪
End consumer packaging at the Fruchtkontor ²⁴	↗ The changeover of private-label suppliers continues to be pursued. 21.22% of suppliers have contractually agreed to change over to FSC®-certified packaging materials.	↪
Cardboard outer packaging (by the end of 2017)	↗ The audit, carried out for the first time this year, showed that for 96% of the random samples, the supplier is contractually obliged to use cardboard outer packaging made of recycled material.	↪
Changover to FSC®/Recycling for internal consumption		
Paper products for internal consumption	↑ 99.74% has been changed over.	↪
Cost articles	↗ 94.87% Blauer Engel (blue angel)/FSC®-certified.	↪

²³ For packaging, a distinction is made between product packaging on the one hand, and transport and shipping packaging on the other. Packaging of individual items is referred to as end-consumer packaging. Packaging used in transportation is referred to as outer cardboard packaging.

²⁴ EDEKA is one of only a few retail enterprises operating their own competence centre for fruit and vegetables. This area has been excluded from the monitoring until now. In the year 2018, the changeover in end-consumer packaging exclusively focused on organic products in the fruit and vegetables segment. Starting in 2019, the changeover in end consumer packaging will be extended to include the entire product range.

STATUS

The monitoring in 2019 confirmed that 100 per cent of the articles in the EDEKA private-label product range using wood, paper and tissue have been changed over to Recycling, Blauer Engel (blue angel) or FSC®. The target achievement of changing over all private labels contained in the target agreement was demonstrably maintained. The proportion of successfully changed over end consumer packaging improved slightly, to 95.10 per cent. The target continues to be to increase the proportion of recycled material in both products as well as packaging.

However, in some cases technical feasibility is still preventing the target from being achieved. One example: beverage cartons made of recycled FSC® fibre are currently not available on the market. There are also various articles containing wood, such as barbecue charcoal or coloured pencils, that are not yet available made from recycled material.

Following the expansion and tightening of the targets in 2017, the first successes in the changeover are now becoming evident: for example, the monitoring system was expanded to

include organic fruit and vegetable packaging last year, and the packaging was changed over. Since 2019, the monitoring has been broadened out to include all suppliers in this segment.²⁷ The degree of changeover currently stands at 21.22 per cent. All suppliers have already been contacted in writing and are now contractually obliged to complete the changeover by the end of 2020 at the latest.

Also new is the audit of the degree of changeover in transport packaging: it shows that in 96 per cent of the random samples (n=100), the

END CONSUMER PACKAGING FRUIT AND VEGETABLES

Percentage changed over



Figure 2: Changeover to FSC® by suppliers of EDEKA private-label end consumer packaging in the fruit and vegetable segment.

TRANSPORT PACKAGING

Contractually mandated changeover of transport packaging, acc. to random sampling

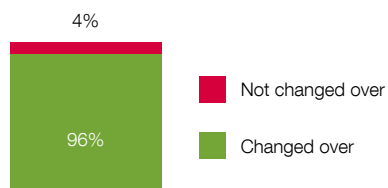


Figure 3: Contractually mandated changeover of EDEKA private label transport packaging to FSC® Recycling at article level (ascertained through random sampling).

CATEGORIES	NUMBER OF ARTICLES	OF WHICH CHANGED OVER ²⁵	OF WHICH RECYCLING ²⁶
EDEKA private-label articles			
Paper plates	4	100%	0.00%
Barbecue charcoal	12	100%	0.00%
Tissue	100	100%	3.00%
Wood and paper articles	45	100%	8.89%
Paper, office and stationery products	44	100%	47.73%
EDEKA private-label packaging			
End consumer packaging	2,203	95.10%	4.18%
of which beverage cartons	141	100%	0.00%

Table 2: Changover of EDEKA private labels and packaging to Recycling/ FSC®. Assessed were all articles that were included in the product range according to the private-label catalogue 2018/19.

²⁵ Changeover to FSC® 100%, FSC® Mix, FSC® Recycling or Blauer Engel (blue angel).

²⁶ Blauer Engel (blue angel) or FSC® Recycling

²⁷ In this segment, monitoring is at the supplier level, rather than at the product level.

suppliers are already contractually obliged to use cardboard outer packaging made of recycled material.

Starting in 2020, labels will also be included in the monitoring. The target will then include efforts to change over all wood and paper components of private labels. They include things like filling materials, wooden handles and

paper filters. By 2020 at the latest, operating instructions and enclosed printed matter should also consist exclusively of recycled material.

The changeover in cigarette filter papers was unsuccessful, although they do not form part of the target agreement. As in the previous year, the selection of suppliers in the cigarette filter paper segment and their

willingness to obtain FSC® certification was still very limited indeed.

INTERNAL CONSUMPTION

The changeover in Internal paper consumption, that is, for all printing and hygiene materials used at EDEKA Zentrale, was virtual complete as far back as 2014. In the year 2018, the

level of changeover achieved stood at 99.74 per cent, and the proportion of recycled material at 83.54 per cent.

INTERNAL CONSUMPTION: COST ITEMS

So-called cost items – paper carry bags and bakery bags – can today be procured by the EDEKA regions directly from EDEKA Zentrale in Hamburg. The changeover in the cost items has been included in the partnership’s target agreement since 2018. Cost items also include the weekly promotional flyers, the production of which requires about 115,000 tonnes of paper annually. In the year 2018, over 90 per cent

of these flyers were already printed on FSC® recycled material.

PUBLISHING

Like the cost items, paper consumption in the EDEKA Group’s publishing operation has also been part of the partnership agreement since 2018. This includes brochures and customer magazines like “Mit Liebe” and “YUMMI”. In the last reporting period, the degree of changeover to FSC®-certified paper already stood at 100 per cent, of which 55 per cent was made up of recycled fibre. The proportion of recycled fibre has now been increased significantly, to 89.26 per cent.

CATEGORIES	TONNES	OF WHICH CHANGED OVER ²⁸	OF WHICH RECYCLING ²⁹	WITHOUT CERTIFICATION
Materials for internal consumption ³⁰	91.39	99.74%	83.54%	0.26%
Cost items ³¹	132,528.28	94.87%	84.13%	5.13%
Publishing ³²	3,195.00	100.00%	89.26%	0.00%

Table 3: Changover of internal consumption (EDEKA Zentrale) to FSC®/Recycling (2018 calendar year).

28 Changeover to FSC® 100%, FSC® Mix, FSC® Recycling or Blauer Engel (blue angel).

29 Blauer Engel (blue angel) or FSC® Recycling

30 Articles procured by EDEKA Zentrale for internal consumption, e.g., printing paper, hygiene paper, catering articles. A small proportion (<1 %) of articles is ordered in a decentralised manner at EDEKA Zentrale and can therefore not be assessed. For the printing centre, the quantities for all EDEKA-owned premises were included; for catering and cleaning only the EDEKA location City Nord was involved.

31 Consumables such as bakery bags and paper carry bags that the regions can obtain from Zentrale.

32 The publishing segment includes all printed matter, such as handelsrundschau, Mit Liebe, flyers, the private-label catalogue and calendars.



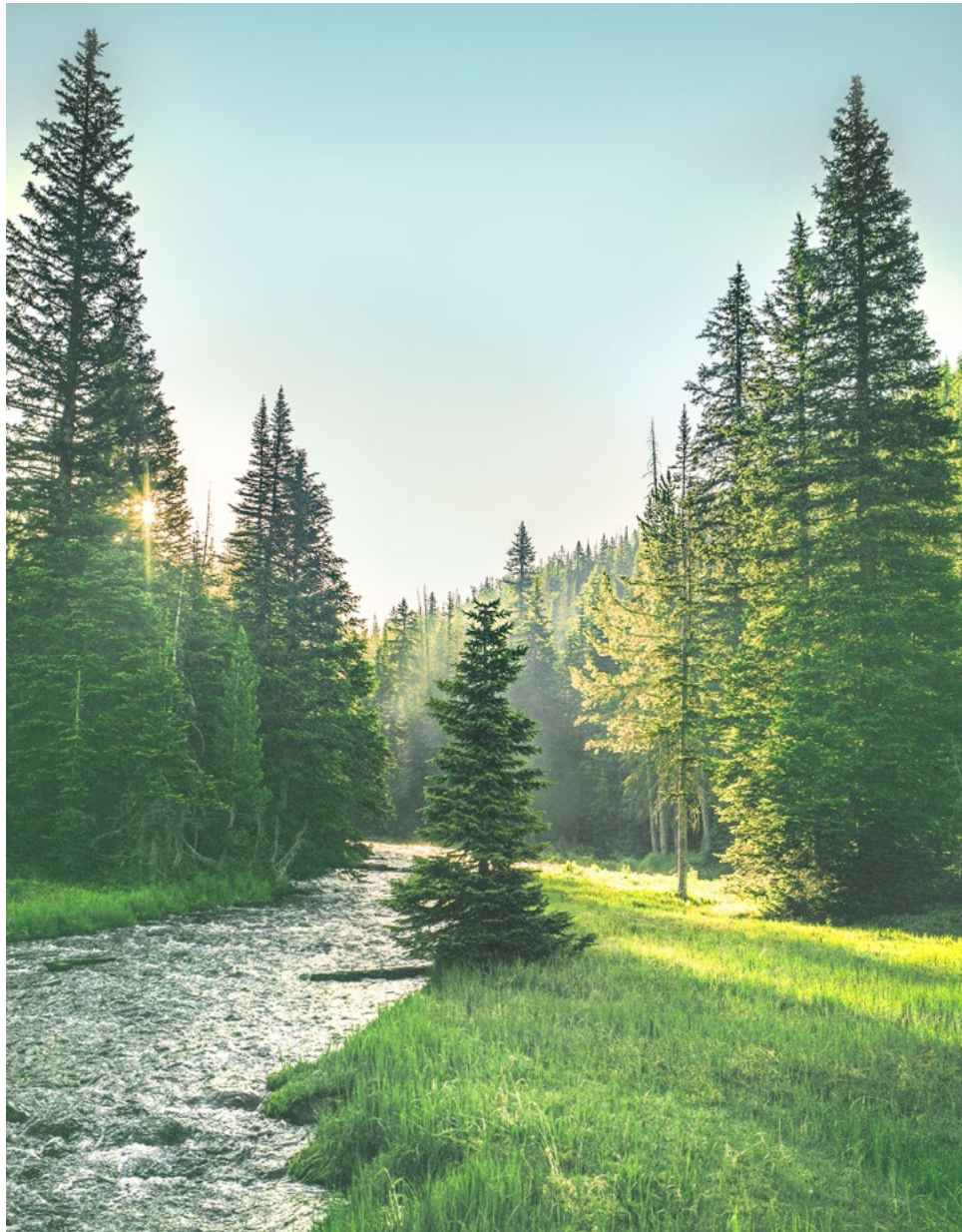


Photo: Matthew Smith, The Unsplash

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ON THE SUBJECT OF WOOD/
PAPER/TOISSUE, GO TO:**

www.edeka.de/wwf/holz
www.wwf.de/edeka-holz

ACCOMPLISHMENTS

SUB-TARGET		PROGRESS ACHIEVED
Changover to FSC®/Recycling packaging		
Beverage cartons	100% FSC®-certified	06/2013 ✓
Paper plates and cups	100% FSC®-certified	06/2013 ✓
Barbecue charcoal	100% FSC®-certified	06/2017 ✓
Other wood and paper products	100 % FSC®-certified	06/2018 ✓
Changover to FSC®/Recycling for internal consumption		
Publishing	100% FSC®-certified	06/2018 ✓

2.3 PALM OIL

The consistent use of certified palm oil components makes the biggest contribution towards meeting the SDGs: Among other things, the Round Table for Sustainable Palm Oil (RSPO) calls for the efficient use of fossil fuels and renewable energies, the reduction of greenhouse gases, the sustainable use of water and a ban on slash-and-burn land clearing. It obliges producers to provide food and water of good quality and in sufficient quantity for the workers on the plantations.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



BIODIVERSITY HOTSPOT IN THE TROPICS:

Protecting rainforests



RAINFORESTS AS HABITAT AND WATER STORAGE

Tropical forests are among the most species-rich ecosystems. They are home to around two thirds of the world's terrestrial animal and plant species. They also absorb precipitation and later release it again through the leaves. The moisture thus released forms clouds, and they in turn provide life-giving rain even in dry areas far away.

PALM OIL PRODUCTION DISPLACES HABITATS

Although worldwide forest loss has slowed in recent years due to reforestation, new forest plantations and political and legislative intervention, the rate of deforestation in tropical and subtropical countries as a result of commercial agriculture is still high.³³ The cultivation of oil palms is a major factor here. Demand for palm oil has risen strongly over the last 20 years, and with it the area being used for cultivation. Today palm oil plantations cover about 18.7 million

hectares worldwide.³⁴ In the main producing countries Malaysia and Indonesia in particular, the huge monocultures contribute decisively to the extinction of species.

CERTIFIED PALM OIL IS PART OF THE SOLUTION

To counter the continued loss in biodiversity and forested land, EDEKA private label products like margarine are certified in accordance with the Round Table for Sustainable Palm Oil (RSPO). A key component here is the prohibition on converting tropical rainforests into palm oil plantations.³⁵ In addition, together with the members of the Forum for Sustainable Palm Oil, EDEKA is also supporting smallholders by sponsoring a smallholder project in Malaysia. The project works with the smallholders to explore the possibilities of cultivation using less chemicals, or doing without chemicals altogether. For example, they use organic instead of synthetic fertilisers, and also work with natural pest control methods.

33 WWF. 2018. Living Planet Report - 2018: Aiming Higher. Grooten, M. and Almond, R.E.A.(Eds). WWF, Gland, Switzerland.

34 This is roughly equivalent to the area covered by Germany, not including Bavaria. See: https://www.spott.org/wp-content/uploads/sites/3/2017/05/Hidden-Land_Hidden-Risks.pdf (15/08/2019)

35 See: <https://www.rspo.org/principles-and-criteria-review> (18/11/2019)

TARGET

For all private-label articles containing pure palm oil, EDEKA continues to use palm oil certified according to the RSPO Segregated (SG) or the Identity Preserved (IP) supply chain model. EDEKA also uses the same qualities of palm kernel oil to the extent possible. For all articles containing derivatives and fractions³⁶ of palm (kernel) oil, raw materials certified to RSPO Mass Balance (MB) standard as minimum is used.

EDEKA remains a member of the RSPO. In the Forum for Sustainable Palm Oil (FONAP)³⁷, EDEKA and other participants are also calling for active measures to improve standards. In addition, EDEKA is sponsoring a smallholder project scheduled to run until the end of 2022. The project is designed to implement local measures to meet the additional FONAP criteria, such as a ban on cultivation on peat soils and the avoidance of highly dangerous pesticides. EDEKA also aspires towards having at least 30 per cent of palm (kernel) oil, including derivatives and fractions, contained in private labels to meet POIG criteria by 2020 at the latest. These criteria represent social and ecological requirements that go beyond the RSPO standards.

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET	STATUS 30/06/2019	OUTLOOK
Changeover of the private-label product range to certified sources in accordance with the RSPO supply chain models "IP", "SG" or "MB"		
Articles containing pure palm oil	Changeover to 0.45% RSPO-IP and 96.40% RSPO-SG implemented. 2.25% is MB-certified. 0.9% has not been changed over.	➡
Articles containing palm kernel oil	Changeover of 97.73% to RSPO-SG implemented. 2.27% is MB-certified.	➡
Articles containing derivatives/fractions of palm (kernel) oil	Changeover of 17.60% to RSPO-SG and 55.5% to RSPO-MB. 26.65% is covered by Book & Claim. 0.24% has not been changed over.	➡
Memberships and commitments regarding additional criteria		
Membership in RSPO and FONAP	EDEKA continues as a member of the RSPO and the FONAP.	✓
Smallholder project with additional FONAP criteria	As a member of FONAP, EDEKA sponsored a smallholder project in Malaysia from July 2018 to June 2019.	➡
Proportion of palm (kernel) oil acc to POIG criteria	Conducted talks with private label suppliers regarding changeover to POIG produce. No concrete outcomes have been achieved to date.	➡

³⁶ Palm (kernel) oil can be modified using complex chemical conversion processes. The products are so-called derivatives, which can be used as surfactants or emulsifiers in cosmetics and cleaning agents, for example Palm oil can be split into solid and liquid components by fractionation.

³⁷ The Forum for Sustainable Palm Oil (FONAP) is an affiliation whose members currently (status June 2019) include 49 companies, non-governmental organisations, associations and the Federal Ministry of Food and Agriculture (BMEL). The aim of FONAP is to significantly increase the share of sustainably produced palm oil in the German, Austrian and Swiss markets and to improve existing standards and certifications.

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

The RSPO, founded in 2004, aims to promote sustainable cultivation methods for palm oil and thus limit the negative effects of palm oil production. In addition to non-government organisations, its members are mainly companies and institutions involved in the palm oil value-added chain, including plantation operators, traders and industrial buyers of palm oil, but also investors and banks.

THE NEW RSPO STANDARD

In a public consultation process, the RSPO's principles and criteria were reviewed in the year 2018. They now include overarching social and ecological requirements, including food security for communities where palm oil is produced, support for small farmers, and stricter regulations on the use of weed control agents and pesticides and of the areas to be protected. The implementation of the new production requirements became mandatory for members in November 2019.

RSPO SUPPLY CHAIN MODELS

Identity Preserved (IP): The processed palm oil contained in the article is processed separately along the entire supply chain and can be traced back to specific plantations.

Segregated (SG): The produce contained in the article is processed separately along the supply chain and comes from different plantations and mills, all of which are RSPO certified.

Mass Balance (MB): The trade flows of certified and non-certified palm oil are not separated; produce from non-certified plantations is also contained in the article.

Book & Claim (B&C): Non-certified palm oil is covered by virtual certificates offered by RSPO-certified producers. The intent is to boost the production of more sustainable palm oil. The product does not contain any certified produce. There is also the possibility of acquiring certificates from smallholders in order to provide them with targeted support.

STATUS

The changeover of palm oil components in private label articles has been progressing positively overall since monitoring began (Figure 4). At just under 97 per cent, the previous year's high level of pure palm oil could almost be maintained. For palm kernel oil, the share of segregated produce has risen from around 90 per cent in 2018 to almost 98 per cent in 2019. The same applies to derivatives and fractions. Over 73% has been changed over to the Segregated or Mass Balance trading models, an increase of 14 percentage points compared with 2018. All other derivatives and fractions are covered via the purchase of Book & Claim certificates, with smallholder certificates³⁸ having been purchased for six articles (Table 4). The purchase of smallholder certificates supports farmers who have considerably less land available for cultivation than industrial plantation operators.

DEVELOPMENT IN THE CHANGEOVER OF PALM OIL COMPONENTS

by desired supply chain model (2016-2019)

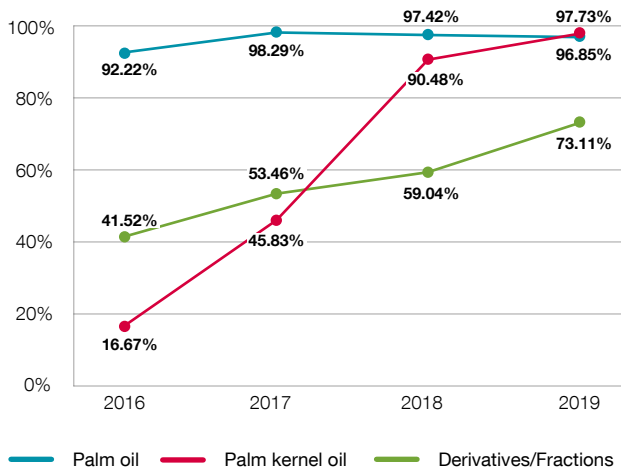


Figure 4: Trend in the changeover of palm oil components in EDEKA private labels acc. to the RSPO supply chain model since 2016. Note: Monitoring of palm oil began as far back as the year 2013. However, comparability of the data has only been possible since 2016, because targets were adjusted in 2015.



SMALLHOLDER PALM OIL PRODUCTION

Worldwide around five million smallholders earn their livelihood through the cultivation of oil palms. While the size of their cultivated areas is small compared to industrial plantations, they still account for about 40 per cent of global palm oil production. Smallholders are therefore in a position to make a significant contribution toward a more sustainable palm oil industry. At the same time, it is necessary to facilitate their access to global and more sustainable supply chains, and to support them in practising socially and environmentally compatible palm oil cultivation.

³⁸ On the Palmtrace platform, Book & Claim certificates can also be purchased from a specific RSPO-certified palm oil producer (so-called off-market deals). Compared to the anonymous purchase of certificates, the advantage here is that certificates are traceable and smallholders and responsible producers can be given targeted support.

PALM OIL COMPONENTS IN PRIVATE-LABEL ARTICLES

acc. to the RSPO supply chain model

CATEGORIES	OF WHICH CHANGED OVER TO "IDENTITY PRESERVED"		OF WHICH CHANGED OVER TO "SEGREGATED"		OF WHICH CHANGED OVER TO "MASS BALANCE"		OF WHICH CHANGED OVER TO "BOOK & CLAIM"		NOT CHANGED OVER		CHANGEOVER TO DESIRED SUPPLY CHAIN MODEL
	Number	%	Number	%	Number	%	Number	%	Number	%	
Articles containing pure palm oil	1	0.45	214	96.40	5	2.25	0	0.00	2	0.90	96.85%
Articles containing palm kernel oil	0	0.00	43	97.73	1	2.27	0	0.00	0	0.00	97.73%
Articles containing derivatives/fractions of palm (kernel) oil	0	0.00	72	17.60	227	55.50	109	26.65*	1	0.24	73.11%

Table 4: Changeover of palm oil components in EDEKA private labels acc. to the RSPO supply chain model. Percentages are rounded and will therefore not always add up to 100 per cent exactly. *Six articles (equivalent to 1.47%) covered through smallholder certificates. Note: The monitoring included all articles that were part of the product range according to the EDEKA private-label catalogue 2018/19. One article may contain several palm oil components. In 2018, 559 articles contained 675 components of palm oil, palm kernel oil or derivatives and fractions.

In the year 2018, of 675 palm oil components contained in 559 articles in the EDEKA private-label product range, only three were without certification. This means that 99.56 per cent of all components are certified according to one of the available RSPO trading models.

This corresponds to over 99.8% of the total of around 11,805 tonnes of palm (kernel) oil and its derivatives and fractions processed contained in the product range (Figure 5).

Due to changes in suppliers or delays in their certification, it can sometimes happen that components

of articles cannot immediately be changed over to the desired supply chain model. Moreover, not all derivatives and fractions are available on the market in the desired trading quality and are therefore covered through the purchase of Book & Claim or smallholder certificates.

As part of FONAP and together with other FONAP members, EDEKA represented the entire Group³⁹ in the public consultation process for the review of the RSPO principles and criteria in the year 2018. The WWF welcomes the more far-reaching restrictions contained in the new standard, namely on deforestation and

QUANTITY PROCESSED

acc. to the RSPO supply chain model, in tonnes

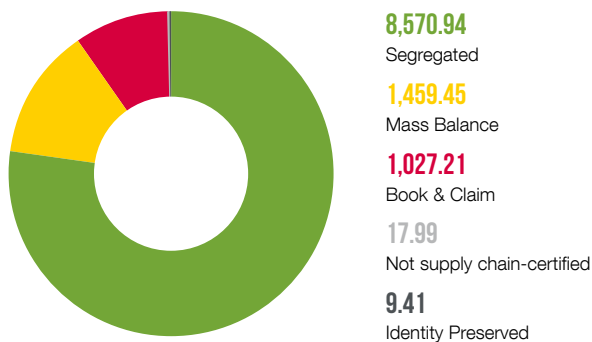


Figure 5: Processed quantity of palm (kernel) oil, including derivatives and fractions, in the EDEKA private-label product range, in tonnes.

³⁹ The EDEKA Group includes EDEKA Zentrale AG & Co. KG, the seven EDEKA regional companies, their outlets and self-employed retailers, as well as Netto Marken-Discount AG & Co. KG.

slash-and-burn clearing of rainforest, the halt to plantation development on land of high natural and climate value, and strengthened agreements on respect for human and workers' rights. The FONAP smallholder project in Perak, Malaysia, that was co-sponsored by EDEKA was successfully implemented in the period from July

FOR MORE INFORMATION ON THE SUBJECT OF PALM OIL, SEE:

www.edeka.de/wwf/palmoel
www.wwf.de/edeka-palmoel

2018 to June 2019. One the project aims was to explore the possibilities of avoiding highly toxic plant protection agents.⁴⁰ The project involved the participation of 23 smallholders. In addition, natural fertilisers were applied to 20 hectares, and the effects on the yield were assessed. The FONAP members have already reached a positive decision regarding a second phase for this project.

Negotiations with suppliers in connection with a changeover for at least 30 per cent of the processed palm oil contained in EDEKA private labels to POIG-verified raw materials have to date been unsuccessful. The establishment of a physical supply chain from the plantation to the private label

producer that would be required to achieve this objective turns out to be very costly. Intensive negotiations with a private label supplier, who supplies about one third of the palm (kernel) oil quantities required by EDEKA, have shown that the additional costs for POIG do not pay off from an economic point of view, taking into account the quality and delivery reliability. It would require, among other things, the provision of separate tank and storage facilities. At present EDEKA and the WWF are not aware of the availability of any segregated deliveries of POIG palm oil to Germany. Since other POIG members are already able to buy such produce on the international market, this objective will continue to be pursued with vigour.



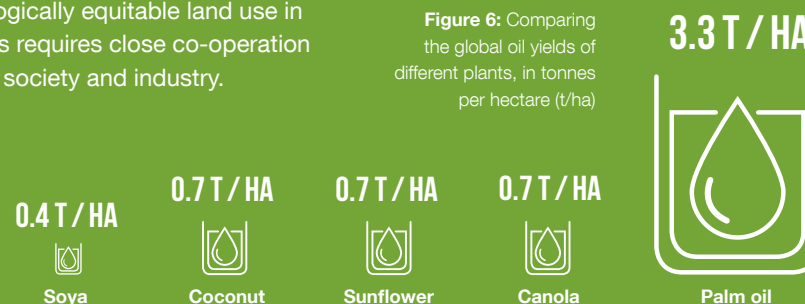
CHALLENGES FACED IN PALM OIL PRODUCTION

Every second product on supermarket shelves contains palm oil. This means that by buying chocolate bars, margarine or lipstick, consumers also indirectly contribute to decisions about the fate of endangered species such as orang-utans or tigers. Because the expansion of the land area used for palm oil plantations continues to contribute massively to the clearing of rainforest in tropical and subtropical regions. The WWF therefore demands as a minimum that only RSPO-certified palm oil is used. In addition, oil palms must not be grown on peat soils, nor should highly toxic plant protection agents be used. Countering the negative effects of palm oil cultivation on tropical forests and biodiversity across the board and to achieve socially and ecologically equitable land use in cultivation regions requires close co-operation between politics, society and industry.

SUBSTITUTING PALM OIL

Replacing palm oil with other oils, especially tropical oils, will only shift or even worsen the associated ecological problems. A better solution is to obtain palm oil from sustainable sources and use it sparingly. Compared to coconut, soya or canola, oil palms have a much higher yield (Figure 6). If companies decide to replace palm oil with other types of oils, then those substitutes will also have to meet strict ecological and social sustainability criteria, such as those of the ISCC Plus certification system⁴¹, as well as additional requirements regarding the use of plant protection agents.

Figure 6: Comparing the global oil yields of different plants, in tonnes per hectare (t/ha)



40 Pesticides banned under the Rotterdam and Stockholm Conventions and those classified by the World Health Organisation as belonging to categories 1a and 1b and the pesticide paraquat.

41 ISCC Plus was originally a certification system for the production of sustainable biofuel. It was then extended also to cover the food and pet food market (including, for example, oilseed meal, dried distillers grains with solubles (DDGS), oils for food production and other applications). The core requirements for the ISCC PLUS certificate include traceability as well as greenhouse gas accounting.

2.4

SOYA/MORE SUSTAINABLE LIVESTOCK FEED

The increased use of soya from certified sustainable cultivation and of domestically grown protein plants contributes to a more sustainable agriculture. More sustainably grown livestock feed has a positive effect on soil quality and biodiversity in the growing regions.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



HEALTHY SOILS

thanks to alternative feed for
cattle, pigs and poultry



SOYA FROM SOUTH AMERICA

Soya is the world's leading protein feed in livestock farming. Europe obtains soya primarily from South America. The soya imported to Germany every year from South America alone requires a cultivation area the size of the state of Hesse.⁴² This results, among other things, in the clearing of forests, the destruction of valuable ecosystems and the displacement of small farming communities. Since soya in South America is almost always grown in monocultures, additional consequences are impoverishment of the soil and the use of large quantities of environmentally harmful mineral fertilisers.

DOMESTIC DIVERSITY INSTEAD OF MONOCULTURE

EDEKA and the WWF are therefore committed to increasing the use of domestic or European animal feed or more sustainably produced, GMO-free, certified soya in German pig, cattle and poultry feed. Domestically sourced pulses in particular, but also canola and sunflowers, offer the potential to replace soya in livestock feed, and they can be integrated into crop rotation in an ecologically sound manner. In addition, the increased use of soya alternatives would reduce competition for land in the growing regions and have a positive effect on soil quality and biodiversity.

⁴² Von Witzke, H., Noleppa, S., Zhirkova, I. (2014): Fleisch frisst Land [Meat eats land]. WWF Deutschland, 48.

TARGET

For animal feed for pigs, beef and poultry, EDEKA is changing over to domestically and European-sourced feed or to more sustainable, GMO-free certified soya (RTRS⁴³+GMO free, soya conforming to “ProTerra” guidelines, Danube Soya, Europe Soya). EDEKA will continue to work hard to preserve what has been achieved to date.

As part of a set of feeding studies conducted together with suppliers of eggs and chickens, EDEKA tested the feeding of domestic grain legumes such as peas, field beans and lupins until the end of 2018. To date it

has only been possible to switch to GMO-free feed for barn-laid eggs of the “GUT&GÜNSTIG” brand. The further changeover in accordance with the above-mentioned objectives will continue to be pursued with vigour.

In the White Line segment, which includes all dairy products with the exception of cheese, EDEKA intends to dispense with the use of soya components in dairy cattle feed in the production of 60% of the quantity of articles for the year 2012 for its private labels. There is also the alternative option of feeding with more

43 The Round Table on Responsible Soy (RTRS) was established in 2006 with the aim of reducing the negative environmental impact of the soybean boom by setting minimum requirements, and of improving the social conditions for workers. RTRS is a voluntary global platform for all the participants in the soya value-adding chain. In parallel to the existing RTRS standard, there has been the option since 2012 to have GMO-free soya certified under RTRS (RTRS+GMO-free). The WWF Germany exclusively supports and recommends this standard. Members include soya producers, representatives of industry, commerce and financial institutions, as well as non-governmental organisations such as The Nature Conservancy and Solidaridad.

44 In accordance with the target agreement, the reference basis used for the calculation of the percentage shares is the full product range for the year 2012.

45 Hay milk changed over to more sustainable feed is not taken into account here, as it is evaluated in the context of the start-up projects.

46 In accordance with the target agreement, the reference basis used for the calculation of the percentage shares is the full product range for the year 2012. In accordance with the target agreement, this quantity refers to the DACH region, i.e., the target initially applies to suppliers and dairies processing milk obtained predominantly from Germany, Austria and Switzerland.

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET	STATUS 30/06/2019	OUTLOOK
Changeover to certified more sustainable feed, by segment		
WHITE LINE 60% of the quantity of articles of the year 2012, by 30/06/2018 ⁴⁴	→	A certified more sustainable or domestic feeding practice could not be found for any product this year ⁴⁵ . For approx. 61% of the quantity of articles in 2012, a switch to GMO-free feeding was ascertained in the reporting period. This represents an intermediate step towards more sustainable feed.
YELLOW LINE 25% of the quantity of articles of the year 2012, by 30/06/2019 ⁴⁶	↓	A certified more sustainable or domestic feeding practice could not be found for any product this year. For approx. 99% of the quantity of articles in 2012, a changeover to GMO-free feeding was ascertained in the reporting period. This represents an intermediate step towards more sustainable feed. The first cut-off date for the target achievement review was 30/06/2019.
MEAT/COLD CUTS Development of a concept for the changeover to more sustainable feed	→	At the cut-off date, the WWF and EDEKA were still working on a changeover concept on the basis of the findings of a feasibility study completed in the autumn of 2018.
	↑	At the regional level: Start of the changeover to more sustainable feed as part of the Hofglück programme, in collaboration with the EDEKA region Southwest. The complete changeover to certified, more sustainable soya or domestic/European feed was completed by the end of 2018.
Implementation of individual projects in the meat/cold cuts segment	↓	National premium brand: To date it has not been possible to implement such a project. EDEKA and the WWF are still in talks regarding this issue. The target of having such a product on sale at EDEKA by 01/01/2019 was not reached.
	→	Start-up project Netto: A new supply chain was established for the project and a commitment to the use of GMO-free feed in the supply chain was reached. This represents an intermediate step towards the changeover to certified more sustainable feed. The target still remains, but had not been reached by the cut-off date.

SUB-TARGET STATUS 30/06/2019 OUTLOOK

Start-up projects		
Barn-laid eggs "GUT&GÜNSTIG"	➔	Approx. 77% of barn-laid eggs are produced using certified more sustainable feed. For approx. 23%, the use of GMO-free feed was confirmed. ➔
Hay or pasture milk	⬆	The national hay or pasture milk has been for sale in 3 regions since 2014. The product was again continued this year. ✓
Frozen chicken "GUT&GÜNSTIG"	⬆	The changeover to more sustainable feed had already been completed by May 2016. The changeover was again confirmed during the current reporting period. ✓
Feeding studies at pilot enterprises	➔	A study on the use of domestically grown grain legumes in broiler feed has been under way since January 2019. Results are expected to become available in the summer of 2020. ➔
	⬇	Laying hens: A further planned study with involving laying hen farmers could not be realised. ➔
Activities not directly related to the product range		
Information and awareness raising	➔	Work is continuing in the Forum for Sustainable Protein Feed. An inaugural meeting was held in December 2018. The organisation operates under the direction of the Federal Agency for Agriculture and Food. ➔

sustainable, GMO-free, certified soya (RTRS+GMO-free, soya complying with "ProTerra" guidelines, Danube Soya/Europe Soya). The target date is 30/06/2018. By 30/06/2019, EDEKA intends to raise this proportion to 75%, and to 85% by 30/06/2020.

In the Yellow Line segment, which covers cheese products, EDEKA intends to dispense with the use of soya components in dairy cattle

feed in the production of 25% of the quantity of articles of the year 2012 for its private-label products. There is also the alternative option of feeding with more sustainable, GMO-free, certified soya (RTRS+GMO-free, soya complying with "ProTerra" guidelines, Danube Soya/Europe Soya). The target date for this is 30/06/2019 and applies to suppliers and dairies that mainly process milk from Germany, Austria and Switzerland. By 30/06/2020,

EDEKA intends to raise this proportion to 50%, and to 75% by 30/06/2021.

To advance the changeover in feed also outside Germany, Austria and Switzerland (the DACH region), EDEKA is constantly in talks with suppliers who obtain milk from outside the region. With the support of the WWF, by 2018 EDEKA developed a concept for meat and cold cuts articles for the gradual changeover



Photo: Alf Ribeiro, Shutterstock

to more sustainable animal feed. The partners then decide how, and by when, a complete changeover will take place in the private-label segment.

As part of developing the concept, EDEKA and the WWF are conducting a feasibility study which was scheduled to begin in September 2017 and was to be completed in the spring of 2018. Furthermore, individual start-up projects are being carried out in the meat/cold cuts sub-segment. The conversion to more sustainable feed is intended to proceed in such a way that products

from this project will be on sale at EDEKA and Netto from 01/01/2019. In the planning stages are:

- a) a start-up project for producing meat and cold cuts articles under the umbrella of a national premium brand, possibly with a regionally and seasonally limited range,
- b) a start-up project for producing meat and cold cuts articles at the regional level (such as regional programmes like Hofglück),
- c) a start-up project for producing meat and cold cuts articles in collaboration with Netto.

STATUS

This year again, the ambitious target of gradually changing EDEKA's private-label product range over to more sustainable feed represented a major challenge: The changeover in the sub-segments White and Yellow Line to more sustainable feeding could not be implemented to the contractually agreed extent. However, the changeover to GMO-free feed, which is considered an intermediate step towards more sustainable feeding, was successfully advanced in both sub-segments.

There are delays in other sub-targets: in two of the three start-up projects in the meat/cold cuts segment, the aimed-for results were not achieved to date. Yet the changeover in animal feed in the "Hofglück" programme was completed successfully. The changeover to certified, more sustainable soya or domestic/European feed was completed by the end of 2018.

The results of a feasibility analysis for the feed conversion were not available until autumn 2018 – and not as planned in the spring of 2018. It was

determined that changing to alternative feed in the meat/sausage segment is basically feasible, but that it cannot be done in the short term, given current market and political conditions. At the time of writing this Progress Report 2019, the WWF and EDEKA were still negotiating about the next steps to be taken. It is hoped that a concept will be approved by the end of the year 2019.

EDEKA has in recent years also been participating in the "Sustainable Protein Feed Forum", which was initiated by the WWF. A position paper on this issue was adopted in 2018. Since December 2018, the forum has continued its work under the direction of the Federal Agency for Agriculture and Food.

CHANGEOVER, BY SEGMENT

The subject area Soya/More Sustainable Livestock Feed has been part of the annual progress monitoring since 2016. From the beginning, independent assessment have been conducted of the product sales quantities⁴⁷ that can be assigned to the categories "Certified sustainable", "GMO-free (VLOG)"⁴⁸ and "Good animal feed" (Table 5).

The 2019 assessment showed that sales volumes of produce from GMO-free feed in the White Line segment increased in both the "VLOG" category and the "Good Animal Feed" category. This year the changeover to GMO-free feed as an intermediate step

CHANGEOVER IN ANIMAL FEED, BY SEGMENT

SEGMENT	YEAR	CHANGED OVER, BY			TOTAL
		CERTIFIED MORE SUSTAINABLE ⁴⁹	VLOG ⁵⁰	GOOD ANIMAL FEED ⁵¹	
White Line (in t) ⁵²	2016	0	7,012	0	7,012
	2017	0	433,345	17,006	450,352
	2018	0	468,166	7,405	475,571
	2019	0	479,389	13,452	492,841
Yellow Line (in t) ⁵³	2016	0	1,083	0	1,083
	2017	0	15,709	0	15,709
	2018	0	59,265	0	59,265
	2019	0	58,625	0	58,625

Table 5: Converted purchased quantities of EDEKA private labels, by segment, in tonnes. The 2019 assessment period extended from 01/07/2018 until 30/06/2019.

47 Sales quantities are defined as all the quantities that are fed from an internal system for the purpose of analysing sales figures.

48 "Verband Lebensmittel Ohne Gentechnik" (VLOG). This association certifies products that are produced without the use of genetically modified organisms.

49 The category "certified more sustainable" corresponds to the above-mentioned target: a changeover to domestically or Europe-sourced animal feed or to more sustainable, GMO-free, certified soya (RTRS+GMO-free, soya conforming to "ProTerra" guidelines, Danube Soya, Europe Soya).

50 VLOG stands for "Verband Lebensmittel Ohne Gentechnik" (= association for food free from genetic engineering). This association certifies products that are produced without the use of genetically modified organisms.

51 In addition to the VLOG certification, there is also the category "Gutes Futter" (good animal feed). "Gutes Futter" is an EDEKA-owned label. See: <https://www.edeka.de/nachhaltigkeit/nachhaltiges-sortiment/produkte/nachhaltige-milchprodukte/gutes-futter.jsp> This applies to suppliers who are currently unable to achieve VLOG certification because the possibility of there being genetically modified product components cannot be ruled out, but whose feed is GMO-free.

52 Dairy products, not including cheese. A ratio of 1:1 is assumed for the conversion from litres to kilograms. Irrespective of the product being assessed.

53 All cheese products. The target in the Yellow Line segment applies to the DACH region, i.e., for the time being the target only applies to suppliers and dairies processing milk obtained predominantly from Germany, Austria and Switzerland. However, the quantities shown here are the quantities of products from both DACH and non-DACH regions.

towards certified, more sustainable or domestic feed reached around 61 per cent in relation to the quantity of articles in the reference year 2012. This represents a slight increase of two percentage points year-on-year.

In the Yellow Line, the sales volume declined during the reporting period. This year the changeover to GMO-free feed reached around 99 per cent in relation to the quantity of articles in the reference year 2012, a slight increase since last year (around 98 per cent).

However, with the exception of the start-up project hay milk, the complete changeover to certified more sustainable feed could not be achieved this year either.

CHANGEOVER IN ONGOING PROJECTS

The products from the frozen chicken and hay milk projects, which are produced using more sustainable feed, were also continued in the current reporting period.

A further partial success was achieved with the barn-laid eggs of the “GUT&GÜNSTIG” brand. Now that the preference for feed using domestic or European animal feed or more sustainable, GMO-free, certified soya has been written into the agreement, it has become possible to review the quantities reported by the suppliers according to the criteria “Certified more sustainable” and “VLOG only”. These

figures represent percentage estimates for the changeover in feed achieved for the quantities reported. The results show that about 77 per cent is already produced using more sustainable feed. The other 23 per cent is fed using GMO-free feed exclusively. EDEKA and the WWF are continuing to work toward achieving the target of a complete changeover to domestic or certified more sustainable feed.

CHANGEOVER OF ANIMAL FEED IN START-UP PROJECTS

START-UP PROJECT	CHANGED OVER, BY	
	CERTIFIED MORE SUSTAINABLE ⁵⁴ , IN %	VLOG ONLY ⁵⁵ IN %
G&G barn-laid eggs	77%	23%
G&G frozen chicken	100%	0
Hay or pasture milk (Cocoa and vanilla drink, White Line)	100%	0

Table 6: Changeover in the start-up projects during the assessment period 01/07/2018–30/06/2019.

54 The category “certified more sustainable” corresponds to the above-mentioned target: a changeover to domestically or Europe-sourced animal feed or to more sustainable, GMO-free, certified soya (RTRS+GMO-free, soya conforming to “ProTerra” guidelines, Danube Soya, Europe Soya). Products changed over to sustainable feed are also produced using GMO-free feed.

55 see footnote 50



Photo: zoyas222, Shutterstock

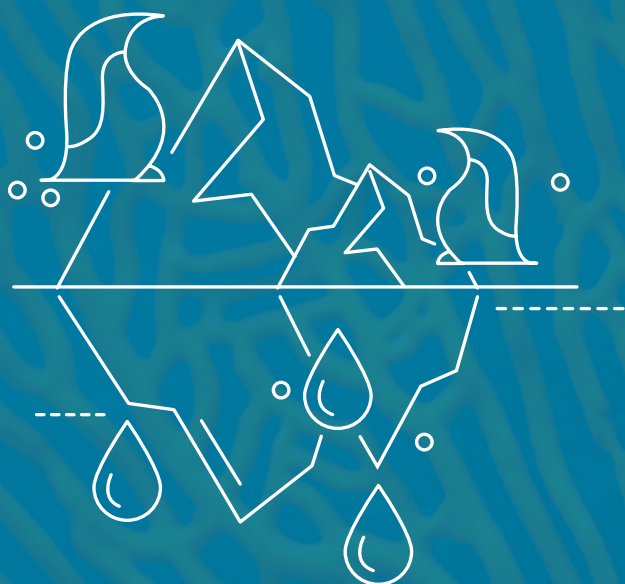
2.5 CLIMATE

The climate target mutually agreed by EDEKA and the WWF is to counteract the further acidification of the oceans and contribute to the preservation of biodiversity and natural habitats.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



PROTECTING THE CLIMATE MEANS PROTECTING SPECIES



EVERY TENTH OF A DEGREE MATTERS

Biodiversity and healthy, functioning ecosystems are the basis of our lives and of food production. Climate change caused by humans is speeding up the extinction of species. To mitigate the consequences of global warming, the international community agreed in the Paris Convention of 2015 to limit global warming to less than two degrees Celsius, and even to 1.5 degrees Celsius, if possible. Even the seemingly small difference of 0.5 degrees will have serious consequences for life on Earth. Even if the two-degree target can be achieved, a quarter of the world's species in key biodiversity regions would probably become extinct.⁵⁶

SAVING EMISSIONS, FROM THE FIELD TO THE SUPERMARKET SHELF

EDEKA has therefore set itself the target to reduce the Group's greenhouse gas emissions by 30 per cent by the year 2020 in comparison with 2011, and by 50 per cent by 2025. In the banana project (see Chapter 3.2), for example, climate assessments were produced for all the farms, and these are proving helpful in efforts to reduce greenhouse gas emissions. Since most greenhouse gas emissions along the supply chain are caused by the use of fossil sources of energy like coal, gas or oil, EDEKA has set ambitious targets for improving the energy efficiency of its locations and of its fleet of vehicles. In addition, EDEKA is changing over to energy-saving LED lighting and to highly efficient refrigeration equipment using natural refrigerants. The Group is also generating solar power at selected locations, and providing its truck drivers with training in fuel-efficient driving.

⁵⁶ WWF, 2018. Artenschutz in Zeiten des Klimawandels (Protection of species in a time of climate change), p.6. See: <https://www.wwf.de/fileadmin/fm-wwf/Publikationen-PDF/WWF-Report-Artenschutz-in-Zeiten-des-Klimawandels.pdf>

2.5.1 CLIMATE PROTECTION WITHIN THE COMPANY

TARGET

EDEKA intends to reduce the greenhouse gas emissions of the EDEKA Group of companies by 30% by the year 2020, and by 50% by the year 2025. The target applies to the sales area in square metres, and in each case in comparison to the baseline year 2011, for EDEKA Zentrale and Netto Marken-Discount. Each of the seven regional companies can participate voluntarily in the effort to reach the Group's target.

In a roadmap, EDEKA Zentrale and Netto are setting out concrete climate protection measures for ensuring that their own locations make a proportional contribution towards achieving the Group-wide greenhouse gas reduction target.

EDEKA and Netto published this plan by 31/01/2018, and it is being implemented in the subsequent years (2018–2022). For each regional company electing to voluntarily join the Group's reduction target, an individual action plan is to be published and subsequently implemented.

Referencing the baseline year 2011, EDEKA will in future be publishing a climate assessment every 2 years. Beginning with the corporate carbon footprint for 2017, EDEKA for the first time included estimates of greenhouse gas emissions from the upstream and downstream sections of the supply chain.

OVERVIEW OF PROGRESS ACHIEVED

MAIN AND SUB-TARGETS	STATUS 30/06/2019	OUTLOOK
Main target		
Reduction of greenhouse gas emissions in relation to sales area in square metres by 30% by the year 2020 compared to the baseline year 2011, and by 50% by 2025.	→	During the reporting period, EDEKA introduced a new, web-based software for the preparation of climate assessments. The completion, verification and publication of the 2017 corporate carbon footprint is planned for the end of 2019. In addition, an investigation was regarding the efficiency measures implemented on the premises of EDEKA Zentrale since 2011. This also served as the basis for the estimates of emissions saved since 2011. The energy consumption and greenhouse gas emissions saved make important contributions towards achieving the reduction target.
Sub-targets		
EDEKA ZENTRALE		
Preparation of an action plan for the implementation of climate protection measures by 31/01/2018. Implementation in subsequent years.	→	The procedure for drawing up an action plan as described in the roadmap presented by EDEKA was accepted by the WWF. The next steps according to this procedure will be to analyse potentials, identify suitable measures and draw up and execute implementation plans, on the basis of the completed 2017 corporate carbon footprint.
Complete changeover to LED lighting and optimised use of lighting by the end of 2018	→	This sub-target builds on the sub-target Preparation of an action plan. Further progress was achieved in the refurbishment.
Optimisation of logistics processes and business travel	→	This sub-target builds on the sub-target Preparation of an action plan.
Derivation of further measures from energy management	→	This sub-target builds on the sub-target Preparation of an action plan.
EDEKA REGIONS		
Interested EDEKA regional companies are to receive support in preparing a climate protection programme and signing up to the Group's greenhouse gas reduction target.	→	Based on the 2017 climate assessment, a concept is being developed to support the regions in preparing their own climate assessment.

STATUS

EDEKA Zentrale is continuing work on adopting concrete additional measures to the existing climate protection plan. It must be ensured that the Group's locations make a proportional contribution towards achieving the Group-wide greenhouse gas reduction target. To this end, the next step is to determine the status quo and identify the potential savings.

Over recent years, inventories of the energy efficiency measures implemented at EDEKA Zentrale premises were compiled, together with estimates for the contribution they made to the reduction target. One example is the changeover to an energy-efficient lighting system at the administration building of EDEKA Zentrale at the Hamburg head office during the reporting period. A new, web-based platform was introduced for preparing the corporate carbon footprint 2017 for the properties of EDEKA Zentrale. In addition, improved availability of primary data will make it possible to further reduce the proportion of extrapolated data in the future. Based on the

completed 2017 climate assessment, EDEKA plans to develop a concept designed to support the regions in preparing their own corporate carbon footprint. Every region opting for active, long-term participation in the preparation of the EDEKA climate assessment will receive support from the WWF and EDEKA. Future steps will involve the analysis of the potentials of each property and the implementation of suitable measures.

For product range-related greenhouse gas emissions, EDEKA produced a rough estimate using the "Scope 3 Evaluator" (<https://ghgprotocol.org/scope-3-evaluator>). The result confirmed the high degree of relevance of product range-related emissions. However, estimates for these types of emissions come with a high degree of uncertainty and are therefore only of limited use as a control parameter. It was therefore decided not to conduct a comprehensive assessment. EDEKA continues to work on improving the database and the quality of the data for Scope 1, Scope 2 and Scope 3 emissions.⁵⁷



THE EDEKA CLIMATE ASSESSMENT

EDEKA Zentrale prepares a corporate carbon footprint every two years in accordance with the Greenhouse Gas Protocol Corporate Standard and, on this basis, continuously measures the reduction in greenhouse gas emissions. Using analyses of potentials, suitable projections and the derivation of efficiency measures, EDEKA is constantly working towards achieving the reduction targets for 2020 and 2025.

During the reporting period, EDEKA introduced a new, web-based software for the preparation of corporate carbon footprints. The use of the new standardised software minimises the susceptibility to errors in the collection of activity data, and hence of the calculations based on that data. The software also ensures improved comparability of in-year data with future climate assessments. Moreover, the software helps identify further savings potentials thanks to improved evaluation options. The corporate carbon footprint for 2017 has now been successfully certified by an external auditor.

⁵⁷ The term Scope 1 emissions refers to direct emissions. Scope 2 emissions are emissions from procured energy. Scope 3 emissions are all indirect emissions.

2.5.2 CLIMATE PROTECTION IN THE PRODUCT RANGE

TARGET

EDEKA and the WWF jointly develop recommendations for action for a more climate-friendly product range design. For greenhouse gas emissions generated in the supply chain, a binding reduction target for the target years 2020 and 2025 was defined by 30 June 2018. In addition, EDEKA and the WWF are establishing a “Climate Supplier Initiative” (CSI) for joint climate protection measures in the supply chain in collaboration with industry players. Within the framework of the CSI, the partners plan to draw up a set of measures by 31/01/2019 that will lead to a reduction in greenhouse gas emissions during production, use and disposal. This roadmap is to be available by 31/01/2019 and it will be implemented in the following years (2019–2022).



Photo: monticello, Shutterstock

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET	STATUS 30/06/2018	OUTLOOK
Definition of a binding reduction target for product range-related emissions along the supply chain by 30/06/2018.	→ At the time of the status assessment, the reduction target had been agreed, but formal approval was still pending.	↶
Measures for a more climate-friendly product range optimisation/design	→ One possible approach for a more climate-friendly procurement practice will not be pursued further after a joint examination of its feasibility. Other approaches have been presented. A final evaluation of the different approaches is still outstanding.	↶
Establishment of a “Climate Supplier Initiative” for joint climate protection measures along the supply chain together with industry players. Preparation of a roadmap by 31/01/2019. Implementation of the roadmap in subsequent years.	↓ Methodology and next steps in the establishment of the initiative have been agreed, but final approval is still outstanding.	↶

STATUS

Beginning in 2018, a new approach a new approach to climate protection in the company and climate protection in the product range is being pursued: its aim is to reduce greenhouse gas emissions along the supply chain. In defining a binding reduction target for product range-related emissions, EDEKA and the WWF have already agreed on a target that is based on the industry standard approach of passing on reduction targets along the supply chain. The target has yet to be formally adopted by EDEKA and approved for operational implementation.

EDEKA and the WWF have discussed possible approaches and measures for reducing Scope 3 emissions and a more climate-friendly design of the product range. These can be applied at various points – including product design, supplier management or information provided to customers. With many aspects already covered in

other subject areas of the partnership, and in the absence of generally recognised climate standards, ideas on the topic of climate-friendly procurement have been discussed but not yet implemented. Instead, an analysis of alternative approaches was carried out. A final evaluation had not been produced at the time of writing this Progress Report.

The planned “Climate Supplier Initiative” is intended to establish more climate-friendly and resilient procurement structures for suppliers and merchants. However, delays were experienced in establishing the initiative. Since then, the details of the approach to be taken in establishing the initiative have been agreed to by the WWF and EDEKA. The initiative is to be linked with discussions with suppliers in relation to the reduction target to be adopted. The target is yet to be formally adopted and approved.



BANANA DOES CLIMATE PROTECTION

A comprehensive corporate carbon footprint at farm level was drawn up for the participating project farms in Ecuador and Colombia for the first time using the Cool Farm tool. The emissions contributed by each farm were calculated on the basis of the fertiliser and pesticide use as well as of the fuel and energy consumption within a calendar year. This allows the emissions produced by the different farms to be compared. In addition, it will be used to derive individual emission reduction measures for each of the farms. It was found, for example, that the use of minerals-based fertilisers in banana cultivation results in a particularly high CO₂ footprint, and that this can be significantly reduced by using fertilisers that are less harmful to the climate.

For further information on the Cool Farm tool, see <http://coolfarmtool.org>

**FOR MORE INFORMATION
ON THE SUBJECT OF
CLIMATE, SEE:**

www.edeka.de/wwf/klima
www.wwf.de/edeka-klima

2.6 FRESHWATER

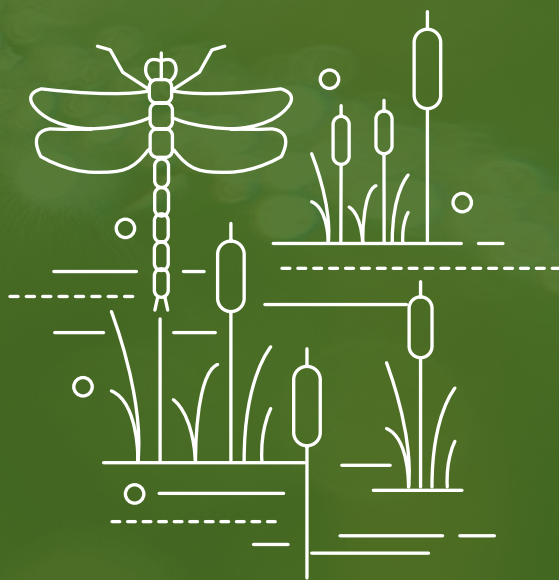
Through the establishment of standardised systems for the protection and conservation of fresh water (GlobalG.A.P. and AWS) and through project work (for example the citrus project in southern Spain), improved cultivation and water management systems are implemented together with EDEKA suppliers.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



PRESERVING BIODIVERSITY

in rivers, lakes and wetlands



AGRICULTURE AND WATER USE

Freshwater ecosystems provide habitats for countless species. However, they are disappearing at an alarming rate. Between 1970 and 2014 alone, the populations of animal and plant species native to fresh water declined by more than 80 per cent.⁵⁸ Agriculture in particular – responsible for more than two thirds of global water use – contributes to the scarcity and pollution of water resources. Improving the efficiency of irrigation on individual farms is no longer sufficient to get the problem under control, especially since the water saved is often used to expand irrigated areas.

HOLISTIC WATER MANAGEMENT IS THE ANSWER

EDEKA and the WWF, together with the EDEKA suppliers, are promoting ways to save water through a comprehensive water management system, in order to protect freshwater ecosystems. A web-based tool is used to systematically identify water risks in supply chains and develop countermeasures. The implementation of the AWS standard has proven to be particularly effective in this

effort. In this way, water consumption can be reduced, at the same time as water quality, water management, drinking water supply and the condition of freshwater ecosystems are improved.

PIONEERING EDEKA CULTIVATION PROJECTS

These standards are implemented consistently in the field projects of EDEKA and the WWF. The EDEKA supplier Iberesparragal in southern Spain has become the first European grower to be granted AWS certification for their citrus farm. Their oranges and mandarins are grown using particularly environmentally sound and water-saving methods and may therefore carry the label “EDEKA and the WWF: joint project for a better orange”. For the EDEKA private labels with an organic seal and co-branding, location-specific water risks are further analysed by means of the WWF water risk filter.

58 Living Planet Index of the WWF 2018

TARGET

By the beginning of 2018, EDEKA introduced a water management system, for fruit and vegetables initially. It consists of the inclusion of freshwater criteria in the product specification for suppliers of fruit and vegetables, and the web-based EDEKA water risk tool.






EDEKA is in the process of implementing the pilot projects launched by May 2017, plus two or three additional pilot projects, for the introduction of the Alliance for Water Stewardship (AWS) standard. EDEKA combines the introduction of the water management system with training courses for buyers and quality managers working in the fruit and vegetable sector.

By the beginning of 2018, a procedure for the evaluation of the concrete changes achieved with the introduction of the new water management system was developed and then launched











together with the annual survey for the 2018 Progress Report. As a next step, EDEKA is expanding the internal water management system to include other product groups.

To assist with the water risk reduction at selected suppliers, EDEKA with the support of the WWF, is establishing a special work programme. Projects currently under way – including citrus and banana projects – will continue to implement measures in the fields and in the affected river basins. Other projects are in discussion for the next phase of the partnership. In addition, EDEKA and the WWF are working to promote a market transformation towards more sustainable water use patterns. To this end, EDEKA and the WWF act as co-organisers for events focusing on water use, as well as promoting the inclusion of improved water criteria in agricultural standards.

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET	STATUS 30/06/2019	OUTLOOK
Reduction of water risks in river basins and at the farm level		
Risk transparency: Increasing the share of sales quantities recorded using the EDEKA water risk tool in the total sales quantities of the Fruchtkontor.	➔	24.65% of the sales quantities from critical countries of origin have been recorded with the EDEKA water risk tool since the EDEKA water management system was put in place. 
Risk reduction: Increase in the share of sales quantities with complete documentation in the total sales quantities at the Fruchtkontor	➔	For 0.99% of the sales quantities from critical countries of origin, complete documentation has been provided since the EDEKA water management system was put in place. 
Internal water management system		
Implementation of the internal water management system at the Fruchtkontor by the end of 2018	⬆	The development of the EDEKA water risk tool has been completed and tested successfully. 
Expansion of the internal water management system to include additional product groups	➔	The EDEKA water risk tool has been adapted to meet the requirements for products being processed further, such as canned and dried fruit. 
Development of a monitoring structure for the water management system	⬆	The monitoring procedure was successfully developed and implemented beginning with the 2018/2019 monitoring cycle. 
AWS implementation in pilot regions	➔	At least 80 per cent of the criteria of the AWS standard have been implemented on all existing citrus farms (project start before 2018) and a first batch of banana plantations in Colombia and Ecuador. 
To assist with the water risk reduction at selected suppliers, EDEKA with the support of the WWF, is establishing a special work programme.	➔	Development and implementation of the "EDEKA Water Partners Programme" was completed. 

STATUS

SUB-TARGET	STATUS 30/06/2019	OUTLOOK
Reduction of water risks in projects		
Banana project: Alliance for Water Stewardship (AWS) in Colombia/Ecuador	 Die Water Stewardship platform in Colombia was consolidated locally and implemented a number of small-scale projects. The criteria of the AWS standard were largely implemented on the first project plantations.	
Water management and Water Stewardship in the citrus project in Spain	 The producers participating in the project developed collective measures to protect their river basin and implement the criteria of the AWS standard.	
Transformation of the German food market		
Production of a guide titled "Water Stewardship" (water Stewardship in the retail grocery sector)	 The findings of the survey conducted by the WWF focusing on Water Stewardship in Germany's grocery retail sector were published in August 2018.	
Upgrade of water risk filter	 The relaunch of the water risk filter took place on 26/08/2018 at the World Water Week expert symposium in Stockholm.	
Further market transformation (studies, events, standards)	 A study on the effects of droughts is under way and was to be published at the end of August 2019. Efforts to establish a possible co-operative venture between AWS and the GlobalG.A.P. agricultural standard were continued. Support was provided for the establishment of AWS regional networks in Latin America and Europe. EDEKA and the WWF participated in specialist events staged for the purpose of sharing and consolidating knowledge and information.	

The EDEKA water risk tool was introduced in the fruit and vegetable segment. The largest suppliers recorded their cultivation sites in the tool, identified water risks and provided initial evidence for the reduction of water risks. The tool provided the baseline data for the monitoring structure that was tested in 2018 and permanently introduced in 2019, and which will be used in the future to continuously check the water risks of the various suppliers.

In the 2019 monitoring, 24.65 per cent of the sales quantities from EDEKA private-label suppliers in the fruit and vegetable segment operating production facilities in countries prone to water risks were recorded in the EDEKA water risk tool. Risk countries are those given a risk score of >3.0 in the web-based Water Risk Filter (WRF) co-developed by the WWF. The countries include Italy, Spain, Costa Rica, Colombia, Cameroon and Ivory Coast. Complete documentation was provided for 0.99 per cent of the sales quantities, which means the suppliers provided the relevant

certification regarding the reduction achieved. The documentation consists of a GlobalG.A.P. certificate and an AWS certificate, or proof of having conducted AWS training. The results will be used to identify water risk hotspots and plan and implement measures to mitigate those risks. The tool provides EDEKA with the basis for working with suppliers to develop solutions. In addition, the tool was developed further, so that it can now also be used for the canned and dried fruit segment.

Progress was also achieved in the application of the AWS standard. The supplier Finca Iberesparragal, a participant in the citrus project, was the first agricultural operation in Europe to be granted AWS certification. An independent certification body has thus confirmed that the Finca is using water economically, is improving its water balance, and is taking care to avoid pollution and protect the ecosystem. In one year, Iberesparragal saved a total of 211,486 cubic metres of water from its allowance, i.e., more than 200 million litres.

The success earned the Finca AWS Gold status – an extremely rare distinction that has only been awarded twice before, worldwide.

In addition, the workers of the participating fincas were given training in Water Stewardship and in the AWS standard. Working together with experts, they then went on to develop measures to contribute to the protection of their river basin and to achieve greater awareness on the part of government authorities and business in their region.

In Ecuador and Colombia, the bulk of the AWS criteria were introduced in the first banana plantations. By mid-2020, all project plantations participating in the banana project are set to achieve certification. To achieve a wider dissemination and adoption of the AWS standards, and also to support the banana plantations, EDEKA and the WWF assisted in the establishment of AWS regional offices in Latin America and Europe.

In Colombia, one of the key issues was to transfer responsibility to independent

local bodies. The newly appointed regional coordinators work closely with local operators and provide them with support. As a result, a number of small-scale projects dealing with waste management, education, knowledge management, afforestation and renaturation were implemented jointly.

Support for the collaboration between AWS and GlobalG.A.P. was continued. The aim here is to develop an additional module associated with the GlobalG.A.P. standard, one which covers corresponding



FRESHWATER MONITORING 2019

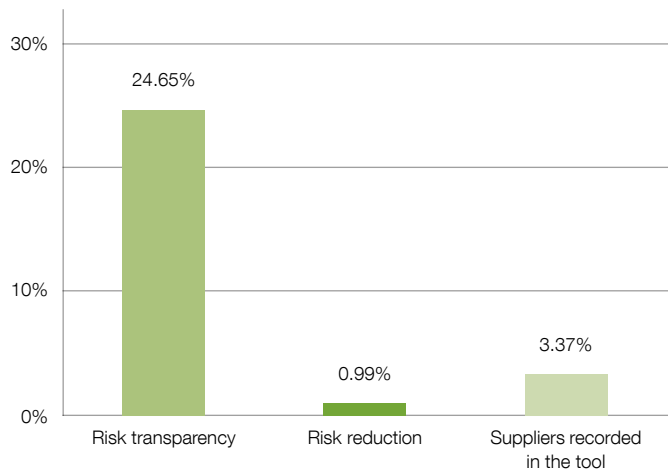


Figure 7:

Share of the sales quantities recorded in the EDEKA water risk tool as a proportion of the total sales quantities from critical countries (risk transparency).

Share of the sales quantities with full documentation recorded in the EDEKA water risk tool as a proportion of the total sales quantities from critical countries (risk reduction).

Share of suppliers recorded in the EDEKA water risk tool as a proportion of the total number from critical countries.

FOR MORE INFORMATION ON THE SUBJECT OF WATER, SEE:

www.edeka.de/wwf/wasser

www.wwf.de/edeka-wasser

standards on Water Stewardship for operations with high-level water risks.

To assist suppliers and their cultivation operations in regions with high water risks in the implementation of Water Stewardship measures through training and the introduction of the standard, EDEKA and the WWF developed the "EDEKA Water Partners Programme". The programme is used to determine who is to receive support, and which measures are suitable for which recipient. The suppliers are given additional support during the implementation phase. The aim is to establish co-operation along the supply chain and enable suppliers to become involved in water protection in their river basins.

The partners use specialist events such as World Water Week, the AWS Global Water Stewardship Forum and AWS training courses to promote the shared objectives and share knowledge gained in the past. In addition, the WWF published a survey conducted to investigate how German supermarkets deal with their responsibility in relation to freshwater use. The survey showed that the vast majority of supermarkets still lack understanding of, and knowledge about, water protection. Generally speaking, supermarkets have virtually no awareness of the

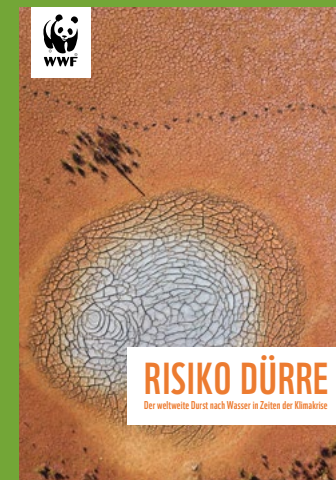
water risks associated with their products and do not select product certifications according to sustainable water management criteria. The report also provided information about possible solutions for reducing water risks in supply chains.

In addition, a report about the worldwide impact of drought on cities, food security, biodiversity, energy supply and other issues is in preparation and is to be presented during World Water Week in Stockholm at the end of August 2019.

NEWSBOX: WWF DROUGHT REPORT

Droughts are among the most devastating natural disasters. Today an average of 55 million people worldwide are affected by droughts every year already. The effects of drought are presenting humankind with increasingly formidable challenges. Agriculture is highly dependent on weather conditions, and is therefore most severely affected by drought and by the scarcity of water. More than 80 per cent of the damage and losses caused by droughts is sustained by the agricultural sector. Major sources of calories such as wheat, corn and rice are exposed to a high risk of drought around the world. According to the WWF drought report published in August 2019, 22 per cent of global wheat production (123.7 million tons) comes from regions exposed to high to very high risk of drought. The equivalent figures for rice are 15.4 per cent (88 million tonnes) and for maize 8.4 per cent (50 million tonnes).

You can find more information at: https://www.wwf.de/fileadmin/fm-wwf/Publikationen-PDF/WWF_Duerrebericht_DE_WEB.pdf



ACCOMPLISHMENTS

SUB-TARGET

PROGRESS ACHIEVED

Completion of the pilot phase of the internal water management system by the beginning of 2018 (water risk tool)	The development of the EDEKA water risk tool has been completed and successfully tested in co-operation with a pilot supplier.	06/2018	✓
Identification of water risks	The water risks for the bulk of all products produced for EDEKA worldwide were identified.	06/2017	✓

2.7 PACKAGING

EDEKA is working to eliminate packaging wherever possible, to reduce packaging and to increase the recyclability as well as the proportion of recycled material used in packaging. Doing so will allow greenhouse gas emissions and the climate footprint to be reduced.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



STEMMING THE CONSUMPTION OF RESOURCES AND AVOIDING WASTE

for the preservation of natural habitats



HAZARDOUS WASTE

The volume of packaging waste in Germany is growing year by year. In the year 2017, every German citizen produced more than 226 kilograms of packaging waste on average.⁵⁹ Around the world increasing volumes waste end up in the environment, even in the oceans. Be it on beaches or along walking paths – the effects of our throwaway society can be seen everywhere. Waste ends up in habitats where it endangers animal and plant species. Germany has a comprehensive waste collection, separation and recycling system. This largely prevents waste from escaping unhindered into the environment, but only just under 70 per cent of all the packaging waste was recycled, with the bulk of the remainder incinerated.⁶⁰

PRIVATE-LABEL PACKAGING UNDER SCRUTINY

As the biggest food retailer, EDEKA has been acknowledging its responsibility in this area and has been reviewing each item of packaging for its private-label product range since 2015 as part of the strategic partnership with the WWF. Avoiding and eliminating packaging has top priority. Where avoidance is not an option, the focus shifts to achieving the highest possible degree of reuse, to the efficient use of resources, to the use of recycled materials, and to packaging design that will make the packaging suitable for recycling.

⁵⁹ German Federal Environment Agency 2019. See: <https://www.umweltbundesamt.de/presse/pressemitteilungen/verpackungsverbrauch-im-jahr-2017-weiter-gestiegen> (18/11/2019)

⁶⁰ Ibid.

TARGET

EDEKA and the WWF are jointly setting agreed targets for the dynamically evolving subject area of packaging by the beginning of 2018. The targets apply to the use of recycled material in polyethylene terephthalate (PET) bottles in the areas of (disposable) beverages and detergents and cleaning agents (drug store). Targets are also to be defined and agreed to for the reduction or avoidance of aluminium and polyvinyl chloride (PVC) in private-label packaging and for the avoidance or optimisation of packaging in the fruit and vegetable sector. Quantitative targets for a reduction in the consumption of single-use carry bags and knot bags are also being agreed on between EDEKA and the WWF. All target agreements are based on the collection of baseline data through the annual monitoring process.

In relation to the private-label product range EDEKA, in consultation with the WWF, reviews the recyclability characteristics of the packaging material prior to new products being introduced or redesigned. The WWF also provides active support in the optimisation of packaging and the certification of materials such as bioplastics. In the year 2020, the partners will be seeking a consensus on other potential targets for the optimisation of other private-label packaging. In addition, the partners are jointly preparing target group-specific information on packaging and packaging materials and other topic-specific issues for the Fruchtkontor operations, the retailers and for end consumers.⁶¹

61 EDEKA is one of only a few retail enterprises operating their own competence centre for fruit and vegetables. The 250 employees advise, develop and maintain long-term and trusting relationships with producers around the globe.

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET		STATUS 30/06/2019	OUTLOOK
Assessment of the recyclability/ecological advantages in connection with new product launches or product optimisations	→	Various assessments of the ecological advantages and recommendations for optimisation have already been made.	→
Certification of raw materials for biobased plastics	→	One article was identified, to date without a sustainability certificate for the raw material. Feasibility of certification still pending at the cut-off date.	→
Target agreement for the use of recycling material (PET) in single-use beverage bottles.	→	At the time of the status survey was conducted, there was still no jointly agreed target.	→
Target agreement for the use of recycling material (PET) in the drug store segment as well as detergents and cleaning agents.	↑	Target agreement reached. Baseline data has been compiled.	→
Target agreement for the avoidance or reduction of aluminium in selected product groups	↑	Target agreement reached. Baseline data has been compiled.	→
Target agreement for the changeover from PVC to alternative materials in selected product groups	↑	Target agreement reached. Baseline data has been compiled.	→
Target agreement for the reduction in the consumption of single-use carry bags	↑	Target agreement reached. Baseline data has been compiled.	→
Target agreement for the reduction in the consumption of knot bags	↑	Target agreement reached. Baseline data has been compiled.	→
Target agreement for the avoidance or optimisation of packaging in the fruit and vegetables segment	↗	Target agreement reached. Baseline data was being compiled on 30/06.	→
Production of information on packaging and packaging materials for Fruchtkontor operations, retailers and end consumers	↗	Information will be produced continuously to meet demand.	→
Preparation of information, including recommendations, for independent retailers on the topic of "Packaging for loose goods"	↗	Information will be produced continuously to meet demand.	→
Selection and implementation of a pilot project for avoiding the use of packaging at fresh food counters	↑	Pilot project has been carried out and is being expanded. At the same time, additional systems that are already in use with EDEKA merchants are being implemented. Beginning in 2020, follow-up projects will be examined.	✓

STATUS

In total, written contracts were drawn up for six out of seven target agreements between EDEKA and the WWF: avoidance or reduction of aluminium, changeover from PVC to PVC-free materials, use of recycled material (PET) in the drug store and detergents and cleaning agents segment, avoidance or optimisation of packaging in the fruit and vegetable segment, reduction in the consumption of single-use carrier bags and knot bags. Still outstanding is the segment concerning the use of recycled material in PET beverage bottles.

The WWF provides EDEKA with comprehensive advice on how various items of private-label packaging can be made more ecologically advantageous. An essential requirement for this is the availability of case-specific general or specific information. In cases where adequate information was available, recommendations for action to achieve improvements were given.

In relation to bioplastics one article, an organic waste bag, was identified that currently does not have the kind of sustainability certificate required by

the WWF. A changeover plan has been developed, and initial talks have been held with an appropriate certification organisation and with suppliers. For the new tender period, the relevant certification for the articles will be requested. At the time of reporting, the tender had not yet been closed.

The WWF and EDEKA are jointly and continually preparing target-group specific information about packaging and packaging materials for the Fruchtkontor operations, for retailers and for end consumers. To this end, the WWF has produced fact sheets and background papers and developed concrete information dissemination measures together with EDEKA. The measures appeal to customers to avoid the use of knot bags and paper bags in the fruit and vegetable department. The multiple-use net bag for fruit and vegetables that has been provided in EDEKA stores nationwide since the beginning of 2018 was also promoted in this context.

Various media and communication channels are used to provide

retailers and customers with information about the importance and correct use of disposal and recycling systems. For example, EDEKA produced a guide showing consumers how components of specially marked private-label packaging should be separated and disposed of.

On the topic of "Packaging for loose goods", a system involving the circulation of multiple-use containers for use at fresh food counters that was launched at a pilot store in Büsum in the year 2018 was expanded. In a related development, another system has also been introduced to the market, which allows customers to buy goods at the fresh food counter using their own containers and avoid the use of packaging material. This is referred to as the tray system, where the multiple-use container is passed over the fresh food counter on a tray. To embed the concept of multiple-use containers further, the participating stores not only explain the various concepts, they also highlight the benefits of the repeated use of containers.

INTRODUCTION OF THE RECYCLING GUIDE PRINTED ON EDEKA PRIVATE-LABEL PACKAGING

As early as the beginning of 2019, EDEKA introduced a recycling guide printed on the first batch of private-label packaging. Under the heading "*Trennen für die Umwelt*" (separating [trash] for the environment), customers are given advice on how to separate and dispose of packaging in an environmentally friendly manner. The recycling guide, which takes the form of an easy to understand pictogram, can now be found on a growing number of EDEKA private-label products.



TARGET AGREEMENTS

In their effort to reduce packaging and make it more environmentally friendly, the WWF and EDEKA have reached agreement on six different targets to date. For five of the targets, an inventory check was already conducted for the 2019 Progress Report. It was based on the EDEKA private-label catalogue 2018/2019. For the target agreements for carry bags and knot bags, the reference year is 2017, i.e., the data from the year 2017 is used as a reference for the trend over subsequent years.

All of the approximately 4,000 private-label articles were first checked for relevance in relation to the various targets agreed. They were then prioritised, and binding definitions were formulated for selected articles, or groups of articles. The assessment only included articles for which active supply relationships are still in place, since it is only in those instances that options to implement a changeover exist. It also became clear that at present, there are enormous differences in terms of feasibility. For the changeover process currently under way, the development status of technologies and current market conditions are therefore taken into account accordingly.

ALUMINIUM

Objective: the greatest possible reduction and even complete avoidance of aluminium in previously defined EDEKA articles (or article groups) no later than 01/09/2021. This applies to the aluminium coating in beverage cartons/liquid cartons⁶² and aluminium foil.⁶³ The expansion to include additional articles (or article groups) will be continued.

The baseline data, in the form of all relevant articles from previously

defined product areas with aluminium content, has been compiled. In these product areas, 95 articles were identified as relevant. The aluminium content of beverage cartons accounts for around five per cent of the total packaging weight of all articles, while for chocolate it is around 16 per cent.

In future, articles whose share of aluminium coating/foil has been reduced will be determined on an annual basis. In addition, the proportion of aluminium saved in each article group will be measured.

NUMBER OF RELEVANT ARTICLES **ALUMINIUM CONTENT, AS A PERCENTAGE OF TOTAL WEIGHT**

Beverage cartons ⁶⁴	89	4.74%
Chocolate ⁶⁵	6	16.22%
Total	95	5.04%

Table 7: Key figures for aluminium for the 2018 calendar year, based on the private-label catalogue 2018/19.

62 According to the target agreement, relevant items are: Dairy products: Mixed milk beverages, vegetable-based alternatives, condensed milk, long-life whipping cream; non-alcoholic beverages: Beverages containing fruit, vegetables; alcoholic beverages: Table wine, sangria, mulled wine

63 According to the target agreement, relevant items are: Chocolate (bars)

64 See footnote 62

65 See footnote 63

66 According to the target agreement, relevant items are: Screw cap on glass containers: Fish, fish marinades & other fish products, boiled sausage, canned fruit, canned vegetables, pickled products, canned fish, ketchup, seasoning and delicatessen sauces, mayonnaises, remoulades, salad dressings, (coconut) oils, fruit spreads, honey, nut and chocolate spreads, other spreads

67 According to the target agreement, relevant items are: Shrink capsules: Alcoholic beverages in glass bottles (wine, sparkling wine).

68 According to the target agreement, relevant items are: sleeves (shrink foil): Mixed milk beverages, smoothies, yoghurt drinks, fats, dressings, ice tea, green tea.

PVC

Objective: the greatest possible degree of changeover from PVC to PVC-free alternatives in previously defined EDEKA articles (or article groups) no later than 01/09/2021. This applies to screw tops for glass packaging⁶⁶, shrink capsules for alcoholic beverages in glass bottles⁶⁷ and shrink foil⁶⁸. The expansion to include additional articles (or article groups) will be continued.

The baseline data, in the form of all relevant articles from previously defined product areas with PVC content, has been compiled. 237 articles were identified as relevant.

Beginning in 2020, the number of articles where the suppliers have successfully implemented a changeover to PVC-free materials will also be determined. The survey will also determine if substitute materials were used, and if so, what they are.

NUMBER OF ARTICLES CONTAINING PVC

2019	237
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Table 8: Key figures for PVC for the 2018 calendar year, based on the private-label catalogue 2018/19.

PET BOTTLES FOR DETERGENTS AND CLEANING AGENTS

Objective: In all PET bottles used for EDEKA private labels of detergents and cleaning agents, the proportion of recycled materials will be increased in stages. At least 30 per cent of recycled material is to be used by 01/09/2020 at the latest. The aim here is for 100 per cent recycled material to be used by 31/05/2022. In addition, EDEKA and the WWF are continually exploring ways to optimise the materials used in labels

and adhesives in order to increase the recyclability of the articles concerned.

The baseline data for all the relevant articles has been completed. The data includes the total amount of PET material used. In the year 2018, 18 articles were identified as being relevant, containing a total volume of PET material of just under 791 tonnes. In these articles, no recycled material has been used to date.

In future, the percentage of recycled material used in the relevant articles will be determined on an annual basis.

2018

Number of relevant articles ⁶⁹	18
PET, in tonnes	790.99

Table 9: Key figures for PET bottles for detergents and cleaning agents for the 2018 calendar year, based on the private-label catalogue 2018/19

FRUIT AND VEGETABLES

Objective: Preparation of a plan to avoid or optimise packaging in the fruit and vegetables segment for the entire EDEKA private-label product range, at the level of individual articles. The individually developed measures will be completed by 31/05/2022 at the latest.

In order to establish the status quo in private-label packaging, a workshop lasting several days was held with all stakeholders and experts where every article in the current private label assortment (status 03/2019) was recorded together with the type of packaging and the materials and quantities used to manufacture it. Based on that information, each article was then analysed with regard to its avoidance or optimisation potential. A changeover plan was drawn up for every article considered to hold potential for avoidance or optimisation of the packaging. At the time the survey was conducted, this process was still under way.



Photo: Zenobillis, Shutterstock

⁶⁹ All PET bottles for the EDEKA/Netto private labels for laundry detergents and cleaning agents in the drug store merchandise segment.

CARRY BAGS

Objective: The aim here is for a reduction of all single-use carry bags (plastic and paper) traded via EDEKA Zentrale by at least 30 per cent by no later than 31/05/2022, without increasing the consumption of multiple-use alternatives in the process. The preferred alternative for the use of carrier bags where needed is the continued use of multiple-use carry bags made of plastic with a minimum of 80 per cent recycled material or made of a biological/ natural material that is certified according to a WWF-recognised

ecological standard. The effort to reduce bag consumption is supported by information and communication measures in suitable communication channels (also extending beyond Point Of Sale terminals).

A survey of the 2017 baseline data and an initial evaluation of the results compared with the 2018 data for carry bags obtained from EDEKA Zentrale has been carried out.

In comparison to the 2017 and 2018 monitoring period, the evaluation of the data shows an overall reduction of 0.49 per cent in the consumption

of single-use bags in relation to the number of units per square metre of sales area (plastic and paper). This result is based on the monitoring for 2017, when 14.78 units were counted per square metre of sales area, and the monitoring for the year 2018, when this number was reduced to 14.71 pieces per square metre of sales floor space.

While sales of single-use plastic bags fell from 10.51 to 9.68 units per square metre of sales area, resulting in an 8.11 per cent reduction in raw material weight, sales of single-use paper bags rose from 4.27 to 5.03 units per square metre of sales area between

2017 and 2018, resulting in a 19.12 per cent increase in raw material weight in this segment. In summary, the changes occurring in the use of single-use carry bags made of plastic and paper led to a 4.07 per cent increase in raw material consumption per square metre of sales area.

To achieve a reduction in the use of paper and plastic carry bags, both EDEKA merchants and consumers will in future need to be urged even more strongly, through suitable means of communication, to either avoid the use of carry bags or to switch to multiple-use carry bags.

NUMBER OF UNITS PER M² OF SALES AREA

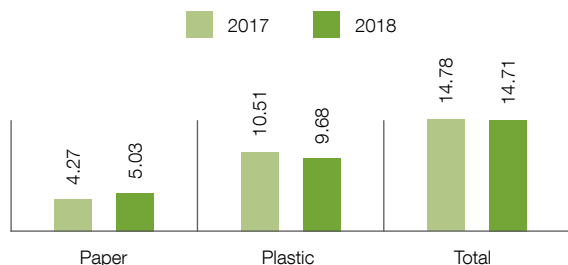


Figure 8: Units per square metre of sales area at EDEKA stores in the years 2017 and 2018.

QUANTITY OF MATERIAL PER M² OF SALES AREA

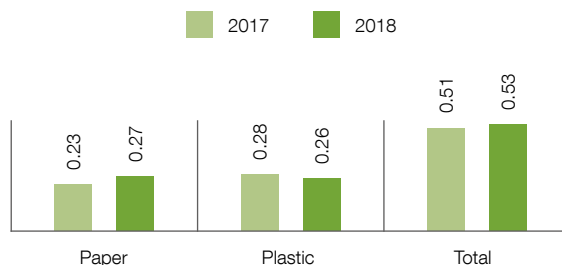


Figure 9: Quantity of material per square metre of sales area at EDEKA stores in the years 2017 and 2018.



KNOT BAGS

Objective: The aim is a reduction in the number of knot bags purchased centrally by EDEKA Zentrale by at least 30 per cent by 31/05/2022 at the latest. The reduction effort is supported by the joint development of ongoing information and communication campaigns calling on consumers to avoid or carefully re-use knot bags, through suitable channels of communication (i.e., also extending beyond Point Of Sale terminals)

A survey of the 2017 baseline data and an initial evaluation of the results compared with the 2018 data for knot bags (number of units and quantity of material) obtained from EDEKA Zentrale has been carried out.

The monitoring showed that the number of knot bags issued to the

NUMBER OF KNOT BAGS PER M² OF SALES AREA

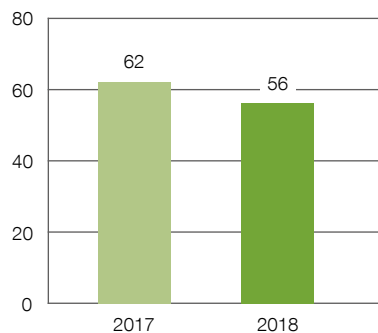


Figure 10: Units per square metre of sales area at EDEKA stores in the years 2017 and 2018.

EDEKA stores (number of units per square metre of sales area) declined by 10.58 per cent between 2017 and 2018. The aim here is again to reduce the total consumption of knot bags, and this effort will in future be supported information campaigns.

GUIDE TO OPTIMISING PACKAGING IN THE PRIVATE-LABEL PRODUCT RANGE

Working with a team of experts, EDEKA and the WWF developed a guide intended for internal use that will assist with the optimisation of packaging for the private-label product range. The guide is to be used in all of the Group's divisions that have an involvement with packaging in some way. Top priority is always given to efforts to avoid packaging altogether. Where avoidance is not an option, general as well as specific recommendations for action can be derived from this guide. The guide will be updated on an ongoing basis to reflect constantly changing requirements and challenges arising within this subject area.



ACCOMPLISHMENTS

SUB-TARGET

Descriptions of different types of packaging (design of the evaluation system)

PROGRESS ACHIEVED

The systematic description has been completed and prepared in table form.

06/ 2017 ✓

FOR MORE INFORMATION ON THE SUBJECT OF PACKAGING, SEE:

www.edeka.de/wwf/verpackungen

www.wwf.de/edeka-verpackungen

2.8

MANAGING THE PROCUREMENT OF CRITICAL AGRICULTURAL COMMODITIES

Making procurement decisions that take sustainability into account are an important part of responsible corporate action, and they also contribute to sustainable agricultural production. The objectives being pursued at the agricultural operations of our suppliers include more sustainable water management, better working conditions, fewer greenhouse gas emissions, greater biodiversity and optimised soil management.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this subject area contributes towards achieving the targets for the following SDGs:



FAIR AND ECOLOGICALLY SOUND BUSINESS

for diversity in habitats



THE IMPACT OF THE FOOD INDUSTRY

The food retail sector imposes a heavy ecological burden, in terms of greenhouse gas emissions, air pollution, water consumption and land use, even when compared to other industries. The vast bulk of this burden is already generated in the cultivation of the commodities required for the supermarket products. More than 75 per cent of global land use and around two thirds of the worldwide water consumption for the German food retail industry is attributable to the production of commodities.⁷⁰ This can lead to the clearing of forests, erosion, leaching and salinisation of soil and, as a result, to a dramatic loss of biodiversity in the cultivating countries.

⁷⁰ Cf. Jungmichel / Schampel / Weiss (2017): Umweltatlas Lieferketten – Umweltwirkungen und Hot-Spots in der Lieferkette. (Environmental Atlas Supply Chains – Environmental impact of hot spots in the supply chain). Berlin/Hamburg: adelphi/Systemain.

USING FACTS AND DATA TO REDUCE ENVIRONMENTAL IMPACT

By buying certified goods and through voluntary commitments, EDEKA is helping to reduce the impact on the environment, and at the same time promote socially acceptable and sustainable business practices. In the endeavour to determine the ecological risks associated with its fruit and vegetable supply chains, EDEKA has opted for an approach that is unique in Germany's food retail sector. In addition to the environmental impact caused by cultivation and transport, purchasing volumes and the countries of origin are also scrutinised and evaluated. Doing so allows the exact ecological footprint and the most efficient mitigation measures to be determined. The same method can also be used to assess the efficacy of the EDEKA-WWF field projects. The analysis conducted on the citrus project in Spain showed that the negative environmental impact of orange and mandarin cultivation has already been reduced by more than a third.

TARGET

The subject area Procurement of critical agricultural commodities is intended to give EDEKA – and especially the Group's procurement activities – a profound insight into current procurement risks specific to commodities. The primary perceived risks of commodity production are the negative consequences for the environment and people in the producing countries, for example through the use of pesticides or non-compliance with social standards. Concrete measures designed to reduce such risks are to be developed by 31/05/2022. A specially developed procurement management web tool which helps identify and reduce procurement risks will be used in the process. The web tool is also intended to assist with the strategic implementation of mitigation measures in the supply chain, for example by purchasing a certain type of commodity only from certified sources, and by raising awareness among suppliers through training courses. During the introductory phase several modules of the web tool, such as commodity and supplier profiles and supply chain comparisons,

will be developed together with the Fruchtkontor. The environmental costs caused by EDEKA are also being calculated. In addition, progress in the reduction of procurement risks is regularly monitored and evaluated. To let this market transformation become apparent to the outside world as well and encourage others to follow the example, EDEKA and the WWF report on progress achieved through joint lobbying activities.

OVERVIEW OF PROGRESS ACHIEVED

SUB-TARGET	STATUS 30/06/2019	OUTLOOK
Development of a web tool for identifying and reducing procurement risks in connection with agricultural commodities	→ A timetable for the development of the IT architecture was drawn up and agreed. A contract for IT service providers was advertised for tender.	↪
DEVELOPMENT OF SEVERAL WEB TOOL MODULES		
Supplier profiles by March 2019	↓ Instead of conducting the supplier assessment in-house, the Group considered joining a sustainability initiative that already has a tried and tested assessment tool. At the time the survey was conducted, a decision about whether EDEKA will join the sustainability initiative had not yet been reached.	↪
Comparison of supply chains by May 2019	→ This module is partly based on the supplier profiles module. For this reason, processing will start in Q4 2019 at the earliest, since EDEKA will need to make a decision about joining the sustainability initiative beforehand.	↪
Identification of EDEKA's ecological and social impact by September 2018	↗ The environmental impact of the EDEKA/WWF citrus project in Spain were determined. In addition, the environmental and social consequences of the production of agricultural commodities in potential EDEKA supplier countries were analysed. The findings have not yet been used to develop a set of countermeasures, however.	↪
Development of a scheme to monitor the reduction of procurement risks and project progress by February 2019	↘ Key figures for the monitoring have been proposed and are currently being reviewed by the WWF.	↪
Update of the risk analyses compiled in the past by May 2019	↑ 34 risk analyses dating back to 2013/14 and 22 risk analyses dating back to 2014/15 were updated.	✓
Target agreements for the reduction of existing risks by May 2019	→ Target agreements can only be adopted once key figures as the basis for the monitoring are available.	↪

STATUS

Procurement management for critical agricultural commodities has been part of the strategic partnership between EDEKA and the WWF since June 2017. This involves identifying procurement risks at the commodity, supplier and supply chain level, and describing in concrete terms how these risks can be reduced by, among other things, using standards and providing training for suppliers.

During the past year, work on additional sub-targets was started and also completed. Existing areas being worked on were expanded. In the 2017/2018 assessment period, EDEKA and the WWF had already determined which commodities from which countries bear the most severe ecological and social risks. In the most recent assessment period, the joint citrus project in Spain was also analysed, and the savings compared to conventional orange and mandarin production were recorded, especially those achieved in water and pesticide usage. The analysis confirmed once again the efficacy of the project activities. In addition, the ten most important of EDEKA's fruit and vegetable varieties were analysed in terms of the ecological

and social costs incurred in potential production countries as a result of cultivation and transportation. The benefit of doing so is that these countries can now be compared with existing supplier countries. In a next step, the methodology employed and the findings will be presented internally, so that suitable countermeasures can be developed.

The previous year 34 procurement risk analyses from the years 2013/14 had already been updated, and another 22 analyses from the 2014/15 were added in the current reporting period. This means that up-to-date data is now available for many important agricultural commodities in the EDEKA product range.

The procurement management web tool was further developed both in terms of content and the underlying technology. The WWF has drawn up a timetable for the development of the IT architecture, and the technical framework for the tool is expected to be completed by November 2019. The "Risk analysis" and "Commodity profile" modules are scheduled for inclusion in the procurement management web

tool by the end of 2019. The "Supplier profile" and "Supply chain comparison" modules can be added flexibly later.

To obtain assistance in the development of supplier profiles, EDEKA and the WWF are generally positively disposed towards joining the Sustainable Agriculture Initiative (SAI) – an initiative for the promotion of sustainable agricultural supply chains in the food industry. Doing so would obviate the need to develop an own supplier assessment. However, since accession to the SAI would have far-reaching consequences,

it is important to first gain clarity in relation to potential impediments.

A scheme to monitor progress in the reduction of procurement risks is to be implemented in the procurement management. This will require the partners to find a consensus about target agreements as well as about suitable key indicators that will make it possible to measure the degree of target achievement. The partners are currently examining possible key indicators that can be used to define concrete targets. The test phase for the monitoring is scheduled to take place in the year 2020.

ACCOMPLISHMENTS

SUB-TARGET

PROGRESS ACHIEVED

SUB-TARGET	PROGRESS ACHIEVED
Risk analyses	A total of 234 risk analyses were compiled. 06/2017 ✓
DEVELOPMENT OF SEVERAL WEB TOOL MODULES	
Pilot group for the development and adaptation of the modules	Members were appointed and working meetings of all relevant actors were held. The pilot group is working on the content of web tool modules. 06/2018 ✓
Commodity profiles by September 2017	32 commodity profiles were revised and user feedback regarding content was incorporated. 06/2018 ✓



COMMODITY PROFILES

The most important procurement risks at a glance

The commodity profiles provide a clear overview of the most important procurement risks for 32 agricultural commodities from about 70 countries. It allows EDEKA procurement personnel to quickly get an idea of how risky individual commodities from specific supply countries are with regard to supply security, environmental or social standards. The profiles also indicate potential means of minimising risks.

3.

AGRICULTURE PROJECTS

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), the agriculture projects also contribute towards achieving the targets for the following SDGs:



NATURE RETURNS

to fields and plantations

KEY SUBJECT AGRICULTURE

Agriculture around the world is contributing to the loss of biodiversity and exacerbates global warming. A growing world population and the increasing demand for meat are making the problems worse. A large proportion of EDEKA's product range comes from agricultural production. Germany's leading food retailer is aware of the responsibility this entails and, working with the WWF and with local producers, is therefore engaged in implementing agricultural projects designed to protect natural habitats and species.

MODEL CULTIVATION PROJECTS

Since the bulk of agricultural yield comes from conventional production, the WWF and EDEKA are deliberately focusing on this sector.

PROTECTION OF CERTAIN SPECIES THROUGH PROVISION OF REFUGES AND NESTING SITES, FOR EXAMPLE FOR BIRDS OF PREY AND FOR TURTLES

In the "Joint project for a better orange" located in the arid and high-intensity agricultural region in southern Spain, EDEKA and the WWF are focusing primarily on improved water management in the particularly water-intensive citrus fruit production, in addition to species protection

and the more sustainable use of herbicides, pesticides as well as fertilisers. As a result, water consumption in the pilot plantation Finca Iberesparragal was reduced by 21 per cent.

CULTIVATED LAND BECOMES A PROTECTION ZONE FOR BIODIVERSITY

In the "Joint project for a better banana" on plantations in Ecuador and Colombia, the WWF and EDEKA are implementing measures to ensure that here, in one of the world's regions with the greatest biodiversity, bananas are grown using less fertiliser and less pesticides, that water management is improved, and that protection zones for endangered animal and plant species are expanded.

PROTECTION OF RARE ANIMAL AND PLANT SPECIES REFLECTS SUCCESS STORIES

EDEKA and the WWF are also working to preserve biodiversity in agriculture in Germany. In the model project "Agriculture for Biodiversity", nature conservation measures are implemented on organic farms to protect threatened species of field birds, insects, amphibians and mammals, and herbs growing wild in the fields. The measures are already proving successful.

3.1 JOINT PROJECT FOR A BETTER ORANGE

By improving cultivation and irrigation methods, the citrus Project is making a contribution to the overarching sustainability goals.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), the project contributes towards achieving the targets for the following SDGs:



Oranges and mandarins are particularly popular with German customers during winter, and this is reflected in the quantities imported by EDEKA. 82 per cent of the fruit comes from Spain. Together with the region of Valencia, the Andalusia region in southern Spain is the most important production area. Intensive cultivation has grave negative ecological impacts and leads to resource competition with existing protected areas such as the

Doñana National Park, an important refuge for endangered animals and an important transit area for migratory birds that is already under threat.

Half of the land area of Andalusia is used for agriculture. The agricultural sector is the main user of water in the region. Due to poor water management and the large volumes of water being extracted, sometimes illegally, the project

region in the Guadalquivir river basin suffers from an annual water deficit of 400 to 700 million cubic metres. Furthermore, intensive use of sometimes highly dangerous weed and pesticides in conventional agriculture, the rezoning of land and the loss of soil fertility are causing a dramatic decline in biodiversity.

The citrus project launched in the year 2015 by EDEKA, the WWF

GENERAL PROJECT INFORMATION

Project name	“Citrus project”: Joint project for a better orange and a better mandarin
Cultivation region	Andalusia, Spain, in the water catchment area of the river Guadalquivir
Project objectives	<ul style="list-style-type: none"> • More sustainable water use on farms and in the river basin • More sustainable crop protection • Conservation and promotion of biodiversity and ecosystems • Measures reflecting good agricultural practice (incl. more sustainable use of fertilisers, promoting soil fertility).
Number of project farms	<ul style="list-style-type: none"> • 2016: one orange plantation • 2017: eight orange plantations (of which two also grow mandarins) • 2018: nine orange farms (of which two also grow mandarins)
Total area under cultivation	<ul style="list-style-type: none"> • 2016: 167 hectares • 2017: 571 hectares • 2018: 716 hectares
Marketing	<ul style="list-style-type: none"> • 2016/17 season: in selected stores in the EDEKA region Minden-Hanover • 2017/18 season: in EDEKA stores throughout Germany, additional sales campaigns at Netto • 2018/19 season: in EDEKA and NETTO stores throughout Germany

and a grower is therefore targeting the very area where the negative impact on the environment has been the most severe, and where improvement measures will therefore be the most effective. In 2018, the project measures for more sustainable water use, reduced herbicides and pesticide use, improved soil fertility

and biodiversity were implemented on nine citrus farms with a total cultivation area of 716 hectares to make their conventional cultivation more sustainable. As a result, almost every fifth orange sold by EDEKA in the 2018/2019 season came from the “Project for a better orange and mandarin” in Spain.

EDEKA ORANGE SALES SEASON 2018

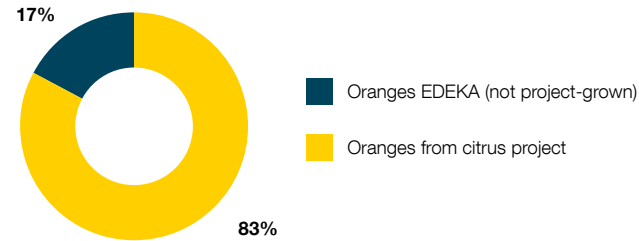


Figure 12: Share of project-grown oranges in total quantity of oranges sold by EDEKA in the 2018/2019 sales season.

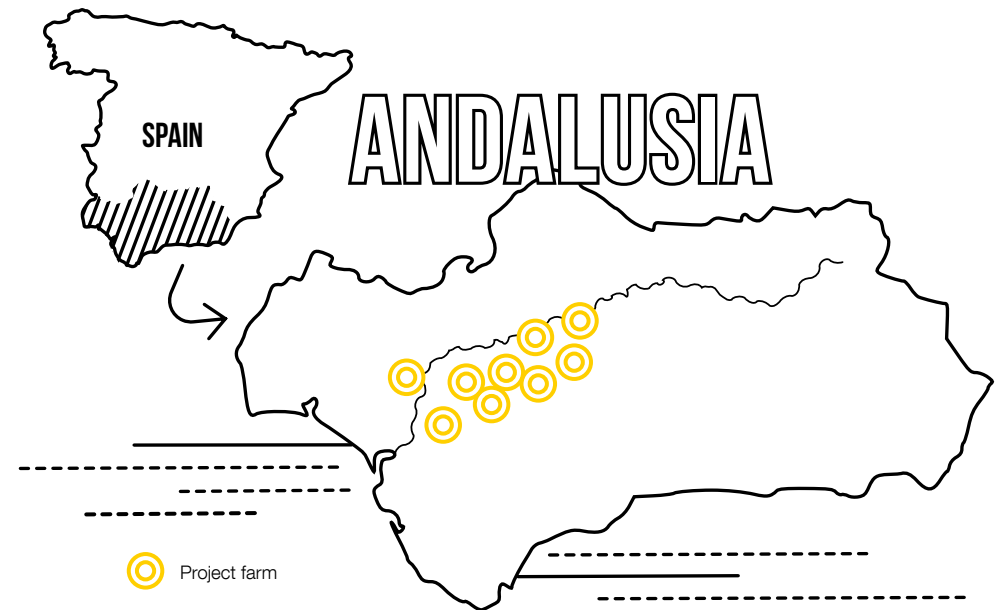


Figure 11: Map showing project farms in the Guadalquivir river basin.

PROJECT PROGRESS 2018

MORE SUSTAINABLE WATER USE ON FARMS AND IN THE RIVER BASIN

In this citrus project, EDEKA and the WWF have set themselves ambitious targets. To adapt the volume of water used in their irrigation systems to the decreasing water availability due to climate change, the project farms are to save at least eight per cent of their allotted water volume. The project is aiming to achieve this saving by optimising the irrigation systems.

In the year 2018, a total of 806 million litres of water were saved in this way (Figure 13), exceeding the target of eight per cent by a considerable margin. Aided by above-average rainfall during the assessment period, the growers only used an average of 75.3 per cent of their water allowance for irrigation.

WATER SAVED ON PROJECT FARMS, IN MILLION LITRES

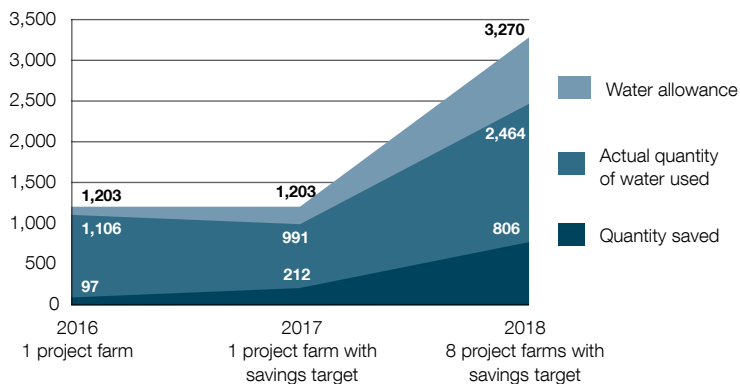


Figure 13: Water saved in irrigation in relation to the water use rights available to the project farms.

MORE SUSTAINABLE CROP PROTECTION

The pesticide plan developed and successfully trialled in the project was again followed by all the growers in 2018. The plan prohibits the use of particularly hazardous crop protection products such as the total herbicide glyphosate (Figure 14) or the insecticide chlorpyrifos (Infobox). These two chemicals are still used frequently in conventional orange cultivation in Spain.

Pesticides and insecticides are now also used in a more targeted manner. Whereas before the start of the project eight project farms applied an average of 14 kilograms or litres of active pesticide ingredients per hectare, this amount has since been reduced to one fifth, or only three kilograms or litres per hectare on average (Figure 15).

GLYPHOSATE USE ON PROJECT PLANTATIONS

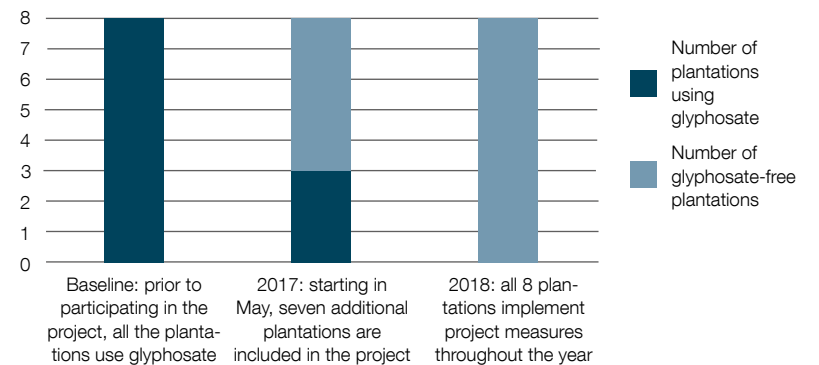


Figure 14: Glyphosate use on project plantations before and after joining the project.

REDUCTION IN THE USE OF CROP PROTECTION AGENTS on project plantations, by category, 2016-2018 (quantity of active ingredients (kg/l) per hectare)

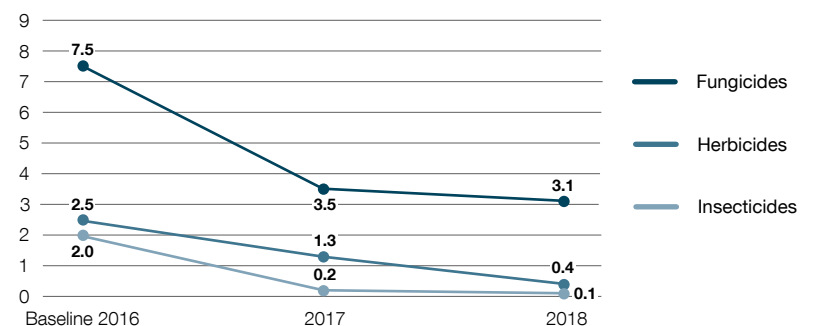


Figure 15: Reduction in the use of crop protection agents on eight project plantations since 2016.

BIODIVERSITY AND ECOSYSTEMS

A range of different project measures are designed to protect and improve biodiversity and existing ecosystems. The project has set itself the goal of giving nature a place on the plantations once again. Remarkable successes have already been achieved by working with the growers. The protection and expansion of the vegetation cover is

one of the most important measures in the project, and it is mandatory for all the growers. The objective here is to reserve as much space as possible for natural vegetation, along the edges of the plantation, along paths and between the rows of orange trees. Because this is where beneficial organisms can find shelter – especially where different plant species are grown (Figure 17) – and so will help control pests. Before they joined the project, these areas in the plantations were mostly treated with herbicides (Figure 16).

Wherever this is feasible, additional areas on the project plantations are set aside to promote biodiversity. For example, particularly functional plant species such as composites are sown, thus creating additional oases for beneficial organisms. Natural vegetation is allowed to spread largely unhindered between the rows of orange trees on the project plantations. Green corridors are thus created through which animals such as foxes can move. The number of plant species growing in the vegetation cover has increased steadily since



Photos: Jesus Quintano

Figures 16 and 17: Ever since the use of herbicides has been reduced, the edges of irrigation basins and other areas on the project plantations have been providing space for natural vegetation to grow. The photos show the enclosure of the same water retention basin of a grower, when the project first started in 2017, and now.

CHLORPYRIFOS AND AGRICULTURE IN SPAIN

Chlorpyrifos is a highly persistent active ingredient and is the most widely used pesticide in fruit and vegetable cultivation in Spain.⁷¹ Since the 1980s it has been used extensively against aphids and scale insects. As it poses a high risk to humans and nature at large, negotiations are currently under way for an EU-wide ban, starting in 2020. In addition to its negative impact on aquatic ecosystems, it can also cause severe cognitive development problems, especially in children and the unborn.

In the citrus project, the use of chlorpyrifos has been prohibited right from the start. Only more gentle plant protection products are permitted for use against lice, and only on young trees, where lice infestations can cause serious growth damage. Moreover, in the case of more mature trees on the plantations, chemical treatment against lice is no longer necessary, since the environmental protection measures taken have produced closed vegetation cover between the rows of trees once again. This provides beneficial insects such as ladybirds, which naturally protect orange and tangerine trees from lice infestation, with a habitat.

71 "La UE prohibirá en 2020 el pesticida más usado en España por su peligro para la salud" vom 17/6/2019 https://www.elconfidencial.com/amp/tecnologia/ciencia/2019-06-17/pesticia-agricultura-espana-peligro-ue-prohibicion_2073403/?__twitter_impression=true

the project began. In the 2018 reporting period, some 21 different species were already found there.

As a further measure, a total of 35 perches for birds of prey were installed on eight plantations. As a result, the biodiversity expert working for the project was able to observe more than ten species of diurnal and nocturnal birds of prey on the plantations between June 2017 and June 2018. They

included osprey, kestrel, peregrine falcon, Bonelli's eagle, black kite, little owl and barn owl.

In 2018, a total of five floating biodiversity islands were created on the four project plantations with their own water retention reservoirs. Floating mats covering a total area of 24 square metres were planted with a total of 950 water plants and then allowed to drift on the surface of the water basins. Little and great crested

grebes and other water birds are now using these islands as nesting sites, and kingfisher, osprey and the protected Spanish pond turtle have also been spotted on the islands.

The project also adopted separate conservation protocols for some animal species. For example, as soon as the nightjar is sighted on a farm, tractors are no longer allowed to enter the sectors where these ground-nesting birds' nests are located.



Photo: Jesus Quimbano

Figure 20: Floating biodiversity island on a project plantation.



Photo: Jesus Quimbano

Figure 18: The photo shows functional plant cover between the rows of orange trees in the project.

NUMBER OF DIFFERENT PLANT SPECIES found in the vegetation cover on the project plantations

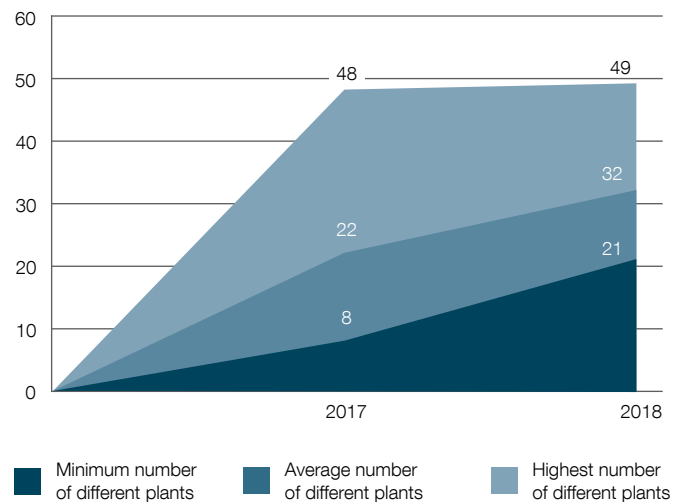


Figure 19: The number of different plant species growing in the vegetation cover has increased steadily since the project began. In the 2018 reporting year, they consist of at least 21 different plant species on the various project plantations.

THE RETURN OF THE OTTER

Otters have become rare. They need clean water, and they are very shy, and they are therefore only very rarely found on orange plantations. But a great deal of patience and a heightened awareness of the ecological condition of the watercourses as natural corridors and paths for animals were rewarded in 2018 on the “El Cerro” plantation: after tracks spotted in the stream bed (Figure 21) and excrements had already indicated the presence

of the otter, a night vision camera finally provided proof that an otter was living on the plantation.

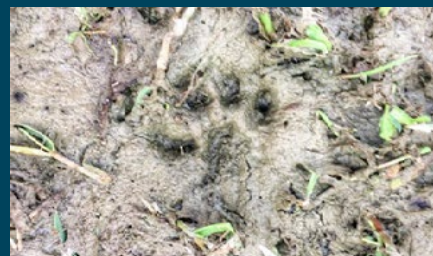


Photo: Jesus Quintano

Figure 21: Tracks left by an otter (*Natrix maura*) at the “El Cerro” project plantation.

OTHER MEASURES CONSISTENT WITH GOOD AGRICULTURAL PRACTICES

All the project plantations are located in areas declared by the Andalusian Water Authority to be “zones with a particular risk of nitrate pollution”. Consequently, limits were placed on how much fertiliser may be applied to agricultural land, for example. However, the authority is not controlling whether growers are complying with the regulation.

Additional measures were therefore adopted in the citrus project. To begin

with, all the growers have been obliged since 2018 to regularly document the type and quantity of fertiliser used. The data from previous years that was available up to that point had sometimes been incomplete and incorrect. With the detailed records of fertilisers used available now, the project team will in future be able to check whether the regulation issued by the authorities are being complied with. The project partners have also agreed to carry out fertilisation

planning based on regular soil and leaf samples once a year in consultation with the producers. The aim here is to optimise the application of fertilisers and adjust it to meet the actual nutrient requirements of orange and mandarin trees. The soil samples also form the basis for further measures to promote soil fertility, which were set to be implemented in 2019 in co-operation with the project plantations.

CHALLENGES AND OUTLOOK

The citrus project is aimed at growers who had managed their orange and mandarin orchards using conventional methods before they joined the project. On many of the plantations herbicides and highly dangerous insecticides were used intensively, in some cases preventively. This practice had a severe impact on biodiversity. For some of the project plantations, implementing the project’s sustainability requirements thus represents a departure from previous cultivation practices, something that requires a fundamental re-orientation. The project supports this process of transformation by providing training for growers and advisers. A new technical committee established in 2018 is intended to help strengthen the exchange and foster mutual trust between the responsible parties, and at the same time create a forum in which to communicate and further develop the concept on which the project is based.

Thanks to the expansion of the project in the years 2017 and 2018, all EDEKA regions were able to stock the project oranges as part of their range for a long period during the

2018/2019 selling season (October to June). Unfortunately, the quantity of mandarins available was not yet sufficient to maintain a nationwide supply for an extended period, as only two of the nine project farms grow mandarins in addition to oranges. For this reason, an increase in mandarin cultivation is to be prioritised for the coming year, in addition to the further development of project requirements and more sustainable conventional cultivation on the project plantations.

3.2 JOINT PROJECT FOR A BETTER BANANA

Sustainable operation and management can only prosper in the long run if all the parties involved benefit from it. The banana project therefore acknowledges its social responsibility. All its workers are covered by social security and have permanent employment contracts. Compliance with national labour laws is ensured, and all workers have access to clean water.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), this project contributes towards achieving the targets for the following SDGs:

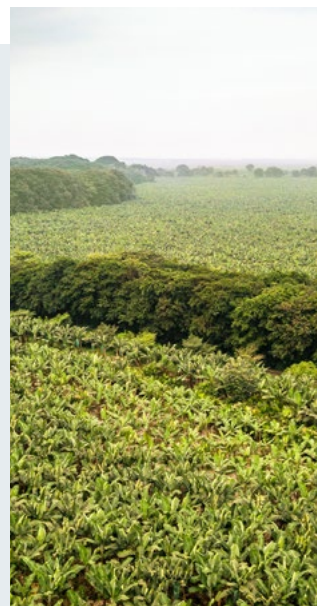


Photo: Atiara Ecuador/WWF Ecuador

GENERAL PROJECT INFORMATION

Project name	EDEKA and the WWF Joint project for a better banana
Cultivation regions	Ecuador (Los Ríos and Guayas provinces) and Colombia (federal state of Magdalena)
Marketing	<ul style="list-style-type: none"> Project bananas available in EDEKA stores throughout Germany since 2014 Project bananas also available in supermarkets operated by the Swiss Migros retail chain since 2015
Project targets	<ul style="list-style-type: none"> Natural ecosystems Water management Integrated cultivation management Climate protection Waste management Social commitment
Number of project farms	23 plantations – 13 in Colombia, 10 in Ecuador
Total area under cultivation	about 4,000 hectares

In the year 2018, the banana was the most sold fruit in Germany.⁷² EDEKA imported bananas mainly from Ecuador and Colombia. 80 per cent of all bananas sold by EDEKA are grown using conventional cultivation methods. Conventional cultivation has

serious ecological consequences, such as the extensive use of highly crop plant protection agents, high water consumption and over-fertilisation of soil and water. Working conditions in the growing countries in South America are also often problematic. This is

where the banana project of the WWF and EDEKA comes in, because due to the high market share, improvements in conventional cultivation in particular can have positive effects on the environment and on a large number of employees. The aim is therefore to make conventional banana cultivation more environmentally and socially compatible. The project began in

2014, and it has now progressed to the second project phase (2018-2020).

The transition from the first to the second project phase had a significant impact on the 2018/2019 project year. One important milestone was the revision of the requirements catalogue, which was necessary in order to be able to work on the goals

for the project even more effectively. The catalogue specifies the measures that must be implemented by the plantations in order to grow their conventionally produced bananas more sustainably. The requirements catalogue was extended further so as to take better account of the agricultural, institutional, financial, educational and cultural conditions

⁷² Landvolk Niedersachsen.(2019). Apfelmix und neue Sorten belebten Obstverkauf. (Apple mix and new varieties boosted fruit purchases). See: <https://landvolk.net/Presse/LPD-Meldungen/2019/03/1919/Apfelmix.php> (05/08/2019)

prevailing in the banana sector and in the project regions.

The allocation of tasks was also revised. The WWF Germany continues to manage the project, assisted by EDEKA and is involved in all relevant decisions. What is new is the active role taken by the local WWF country offices. They assist the plantations with the implementation of the project measures and serve as the first point of contact for the plantations. Since 2018, they have been visiting the plantations at least once a month for the purpose of advising and supporting the growers. Doing so allows setbacks to be prevented in precaution, and problems to be identified and solved early on.

During a joint visit to the plantations in April 2019, the WWF Germany and EDEKA noted that the project is already having a positive impact beyond its boundaries: some of the measures, such as the revegetation of irrigation channels, are now also being implemented on some of the supplier's other plantations. This shows that the growers consider the benefits of the project measures sufficiently large for them to voluntarily implement them, even in the absence of guaranteed access to the EDEKA distribution channel.

CHALLENGES AND FINDINGS

Potential changes to the requirements catalogue were discussed thoroughly with the growers. Involving them closely will ensure their full support for the agreed targets. Particularly controversial initially was the issue of a reduction in the use of crop protection agents, as growers feared that they would no longer be able to adequately protect their plants against pathogens and feared crop losses as a result. A visit by the crop protection expert helped reach agreement on individual reduction targets for each plantation.

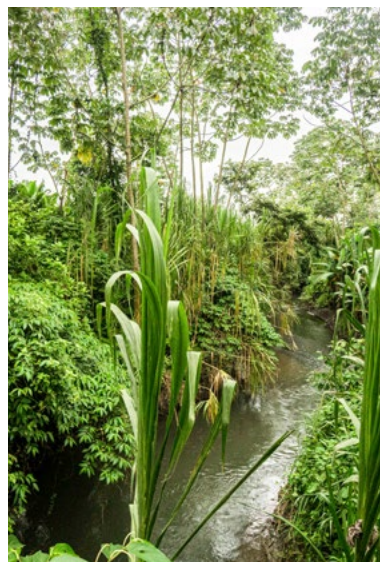


Photo: Aluera Ecuador/WWF Ecuador

In Ecuador, the growers also faced the challenge of having to persuade other parties within the river basin of the merits of the water protection measures, as part of the process of obtaining (AWS) certification. This is because the AWS standard used in the project area requires the implementation of sustainable water use measures throughout the entire river basin, not only on the individual plantations. Yet in Ecuador, no comparable infrastructure or initiative had been in place to date. The affected growers were therefore faced with the difficulty of having to persuade other parties operating in the river basin to co-operate in a constructive fashion.

In Colombia, the project management was forced to temporarily suspend work on the project in the spring of 2019, because on four plantations the areas under cultivation were extended without prior notice, not allowing for the admission criteria for the new areas to be checked. The WWF considers close monitoring to be extremely important in order to ensure that ecologically valuable zones are not lost and that the minimum requirements of the project are also met on newly added areas. As a result of this incident, the procedural steps for

the incorporation of new areas were brought up to date and then coordinated with all the stakeholders, so that the WWF will in future be informed about future expansions ahead of time and will be able to carry out the necessary checks.

A land use conflict of a different kind led to one plantation in Ecuador being expelled at the end of 2018. For the third time already, protection zones – areas where animal and plant species can find refuge – had been destroyed on the "Gisella" plantation. Since previous awareness-raising measures had obviously not been successful, the plantation had to be excluded permanently.

These cases in Colombia and Ecuador make it clear that work on communication and co-operation with the growers must continue to be pursued with vigour. Although well-defined processes for dealing with grievances are in place, more work needs to be done to ensure that conflicts of interest are addressed openly and early on in an atmosphere of trust, so as to prevent loss of trust, and to increase opportunities for co-operation. It is only in this way that the project management can make timely interventions and boost the level of co-operation.



METHODOLOGY

The requirements catalogue consists of six subject areas and 18 targets. 77 measures have been developed to allow these targets to be reached.

To allow progress to be measured, specific performance indicators were defined for each of the targets. Extensive monitoring is conducted on the plantations twice a year to track these indicators. At the same time, external auditors advise the plantations on the best ways to implement measures.

PROJECT PROGRESS 2018⁷³

NATURAL ECOSYSTEMS

The regions where the project bananas are grown are among the most species-rich zones in the world, and at the same time they are also under severe threat from human activities. For this reason, the WWF and EDEKA are working with the growers to establish protection zones around natural aquatic and terrestrial ecosystems such as rivers and forests. This not only creates refuges for plants and animals; it also protects the ecosystems directly from

harmful pesticides that are sprayed over the plantations from the air and which pose a significant threat to biodiversity. It has already been observed that native species like the endangered Tigrillo tiger cat are starting to return. To date, these protection zones cover more than 92 hectares. In the year 2018, the protection zones around aquatic ecosystems were expanded from ten to 15 metres, and those around terrestrial ecosystems from five to ten metres. In addition, native species were planted to promote the growth of natural vegetation inside the zones.

TARGET	INDICATOR	2017	2018
Establishing protection zones around natural aquatic and terrestrial ecosystems	Area of protection zone around natural aquatic ecosystems, in hectares	total: 52.14 38.68 (Ecuador) 13.46 (Colombia)	total: 69.47 52.46 (Ecuador) 17.01 (Colombia)
	Area of protection zone around natural terrestrial ecosystems, in hectares	total: 0.16 0.16 (Ecuador) 0 (Colombia) ⁷⁴	total: 23.11 23.11 (Ecuador) 0 (Colombia)

73 The data was collected for the year 2018. However, the overall analysis also takes the trend up to 30/06/2019 into account.

74 There are no terrestrial ecosystems on the project farms in Colombia, therefore no protection zones are being established.

WATER MANAGEMENT

The project plantations are to become responsible users of freshwater resources. This means that they should keep track of their water consumption, and reduce it in order to ensure good water quality on the plantations. In addition, they should exchange information with other operators in their river basins in order to jointly plan and implement water protection measures and counteract increasing water scarcity.

Overall, the water consumption on the project plantations was significantly reduced last year. For example, only just under 63 per cent of the previous year's quantity was used to wash bananas. This represents a 37 per cent reduction.

The plantations should also meet the AWS standards for sustainable water management and document this with the appropriate certification. Last year, a service provider was contracted to support the plantations in preparing for certification.

TARGET	INDICATOR	SAVING FOR 2018, IN PER CENT, COMPARED WITH 2017
Optimisation of water consumption for processing the bananas	Water consumption for washing the bananas (saving in %)	37.27 21.72 (Ecuador) 52.82 (Colombia)
	Degree of implementation of AWS certification (in %)	15 2 (Ecuador) 25 (Colombia)

INTEGRATED CULTIVATION MANAGEMENT

Monocultures such as banana plantations are highly susceptible to pathogens and pests. They are therefore treated extensively with crop protection agents. Moreover, the high yields that are common today can only be achieved through the use of fertilisers. Yet pesticides and fertilisers also enter the soil and water, and this can cause problems for flora and fauna and cause serious damage to human health. To reduce the negative

impact on the environment, the use of these substances must be reduced and soil fertility increased through natural means. The Toxic Load Indicator (TLI)⁷⁵ measures the toxicity of agrochemicals used. As agrochemicals have been used less frequently as a preventive measure more recently, it was possible to achieve a year-on-year reduction in the TLI in both Colombia and Ecuador.

In addition, a first video describing the process of pesticide reduction in this project was produced in Spanish; others are to follow. The videos are

intended to assist the plantations in the implementation of the measures.

Work is also under way to revegetate the soil in order to protect it. To date, almost one third of the cultivation areas have been successfully revegetated. Outside experts are conducting training courses focussing on soil issues. Methods for promoting beneficial microorganisms in soil are currently being tested on two pilot plantations in Ecuador. To this end, organic farm waste such as banana leaves is composted, heated and then applied to the soil in liquid form to act as fertiliser.



Photo: Altierra Ecuador/WWF Ecuador

TARGET	INDICATOR	2017	2018	REDUCTION
Reduction in the use of crop protection agents	Toxic Load Indicator per hectare of cultivated area	2,592	2,313	12%
		3,116 (Ecuador) 2,067 (Colombia)	2,892 (Ecuador) 1,735 (Colombia)	7% 19%
Sustainable soil management	Density of plant cover, in per cent	Measurement only as from 2018	29.88 4.42 (Ecuador) 55.33 (Colombia)	-

⁷⁵ To calculate the project's toxic load, the WWF and EDEKA use the Toxic Load Indicator (TLI). The TLI is an indicator that evaluates the toxicity of an active ingredient in relation to a living organism, not only the quantity of a pesticide used. To determine the toxic load, TLI refers to a classification system of active ingredients contained in a pesticide. The classification considers the impact on humans, mammals and the broader environment. The maximum score for any active ingredient is 200. The higher the score, the more toxic the substance.

CLIMATE PROTECTION

To be able to measure greenhouse gas emissions from the project plantations, the project introduced the so-called “Cool Farm Tool” (CFT) in 2018. The CFT collects online data on agricultural production, such as the use of pesticides or fertilisers. This allows the major sources of emissions on a farm or plantation to be identified. It also



makes it possible to see how management decisions, such as changes in fertiliser use, affect greenhouse gas emissions.

For better comparability, the tool translates the data to CO₂ equivalents (CO₂e). This unit of measurement standardises the impact various greenhouse gases such as carbon dioxide, methane or nitrous oxide are having on the climate. On average, the project plantations emitted 705,62 tonnes of CO₂e per hectare of cultivated area in the year 2018. This figure is to be reduced substantially in future through the implementation of the project measures.

The CFT was introduced in the project in the first half of 2019 in the form of an app, and its use was demonstrated in a training course conducted on the plantations. The app is intended to help the plantations make use of the CFT.

TARGET	INDICATOR	2017	2018
Identify greenhouse gas emissions, record and reduce quantities	tCO ₂ e/ha cultivated area	Measurement only as from 2018	705.62 187.82 (Ecuador) 1,223.42 (Colombia)



Photo: Alena Ecuador/WWF Ecuador

WASTE MANAGEMENT

Much of the waste generated on banana plantations is contaminated with agrochemicals and must be disposed of separately and safely. However, empty

pesticide and fertiliser containers are often not disposed of separately. In order to ensure better traceability of toxic waste, there is therefore a need to raise awareness of the dangers of inappropriate waste disposal.

TARGET	INDICATOR	2017	2018
Traceability of solid toxic waste assured	Proportion of protective clothing disposed of correctly, in per cent	Measurement only as from 2019	Measurement only as from 2019

SOCIAL COMMITMENT

The production of cheap bananas for export often comes at the expense of the workers on the plantations in South America. They often do not have adequate contracts, do not receive the minimum wage customary in the industry or the country, and they are not compensated for working overtime. They are frequently exposed to the adverse health effects of toxic agrochemicals, especially if they are not provided with appropriate protective clothing and/or have not been trained

in the use of pesticides, herbicides and fertilisers. Within the framework of the banana project, the WWF and EDEKA are working towards achieving compliance with national legislation and regulations as a minimum (for example labour rights, and occupational health and safety standards). As a result, over 90 per cent of all the workers in the banana project were already wearing appropriate protective clothing to protect themselves from harmful agrochemicals. In addition, all workers are now integrated into the statutory social security system and have fixed employment contracts.

TARGET	INDICATOR	2017	2018
Improved occupational safety and health care on the plantations	Use of appropriate protective clothing when working with hazardous agrochemicals, in per cent	Measurement only as from 2018	90.32 82.11 (Ecuador) 98.54 (Colombia)



Photo: Atuera Ecuador/WWF Ecuador

3.3 AGRICULTURE FOR BIODIVERSITY

The “Agriculture for Biodiversity” project makes a particularly strong contribution to preserving and protecting biodiversity in the agricultural landscape by implementing targeted nature conservation measures on farms that are designed to protect specific animal and plant species.

The project “Agriculture for Biodiversity” (LfA) is aimed at preserving the diversity of animal and plant species native to a region. This is because the decline in species has been particularly dramatic in habitats dominated by agriculture. However, organic farming provides the means to counter this dangerous trend. For this reason, one or more nature conservation modules are being implemented on participating organic farms, alongside the ongoing agricultural activities. These modules

were developed by the Leibniz Centre for Agricultural Landscape Research e.V. (ZALF) as part of the project. The catalogue of measures and achievement targets consists of over 100 individual components. For example, “strips in clover grass left unmown” create an important retreat refuge for insects, field birds, hares and amphibians during and after mowing. Partridges and other field birds in turn find good breeding sites following the implementation of the “Strips of wildflowers and other flowering plants” module. They also provide food as well as a refuge for hares and insects. Working with a ZALF nature conservation consultant, the farms select and implement the measures that are most suitable and likely to be the most effective for their farms. In

return EDEKA provides the producers with guaranteed acceptance of their agricultural produce and rewards them for the implementation of the biodiversity promoting measures by paying a premium. Products originating from the “LfA” project are easy to identify at the EDEKA stores: they carry the WWF logo and the LfA seal. By purchasing products from the “Agriculture for Biodiversity” project, consumers can demonstrably promote biodiversity in the region.

The project has been implemented together with the EDEKA region North, the meat-processing facility of EDEKA North, and the growers’ association Biopark since 2012. The ZALF is responsible for the scientific monitoring. Since 2019, goods originating in this project and produced in co-operation with other growers’ associations have also been available in the EDEKA region Southwest.

By 30/06/2019, a total of 66 farms had successfully implemented the additional nature conservation measures, an increase of eleven farms since the previous year.

Ten farms are currently receiving advice from nature conservation experts.

Working directly with the farmers, the Leibniz Centre for Agricultural Landscape Research (ZALF) is monitoring selected animal and

plant species that are typical for the open agricultural landscape in Germany. Some of these species are highly endangered. They include whinchats, butterflies, wild field herbs such as cornflower, larkspur and lamb’s lettuce.

GENERAL PROJECT INFORMATION

Project name	“Agriculture for biodiversity”
Cultivation region	Germany
Project objectives	<ul style="list-style-type: none"> • Conservation and enhancement of ecosystems and biodiversity • Establishment of the nature conservation module for organic farmers • Long-term co-operation between nature conservation organisations and agriculture based on advice from nature conservation experts • Rewarding the implementation of nature conservation measures • Transparency through traceability by means of tracking codes on products
Number of project operations	<ul style="list-style-type: none"> • Region North: 57 (approved), 10 (in consultation) • Region Southwest: 9 (approved)
Total area under cultivation	<ul style="list-style-type: none"> • Region North: 36.674 ha (approved), 3.763 ha (in consultation) • Region Southwest: 1,281 ha (approved)
Products	<ul style="list-style-type: none"> • Meat and cold cuts as well as potatoes: available in EDEKA stores in the region North since 2012. Beef has been available in EDEKA stores in the region Southwest since 2019.



MONITORING WHINCHATS



Figures 22, 23 and 24: Whinchat on a branch, painted lady butterfly and lamb's lettuce, *Arnoseris minima* – flower head.

Many LfA farms keep livestock for which they grow their own feed in the form of hay. These grasslands are also the habitat of the whinchat. The whinchat is representative of most of the field birds of the open agricultural landscape whose populations have seen a massive decline for decades. The population of this bird species declined by two thirds between 1990 and 2014.⁷⁶ To counteract this worrying trend, the main focus of the project has been on increasing the breeding success of these birds. This is because, as a ground-breed species whose young birds do not leave their nest until July, the whinchat's breeding success is under threat, especially through the mowing that usually takes place in May. Targeted measures were therefore implemented in an effort to set aside partial areas as breeding grounds by not mowing them or allow grazing.

The Gut Temmen farm in the southern town of Uckermark in the state of Brandenburg opted for this measure in 2018 and 2019. The breeding zones were either left unmown altogether or were only mowed later, and they were fenced in during grazing. The breeding success in the areas where the measures were applied was between 80 and 90 per cent. At the same time, the number of nature reserves doubled from five in the year 2017 to more than ten in the years 2018 and 2019. In recent years, whinchat populations were mapped on six farms in Mecklenburg-Western Pomerania and on three farms in northern Brandenburg. Surveys conducted on the total of nine project farms showed that the breeding success had doubled. These observations show that the highly endangered whinchat can be successfully protected through the implementation of small-scale measures in a targeted manner.

⁷⁶ Data from the umbrella organisation of German avifaunists (2018), see: www.dda-web.de/vid-online/

MONITORING BUTTERFLIES



Unmown strips are also extremely important for butterflies that feed on nectar. In organic farming, clover grass is typically cultivated and usually cut before it reaches the flowering stage. Leaving staggered strips uncut at each mowing should ensure a permanent flower supply throughout the entire butterfly season.

A survey at the Münchehofe project farm in Brandenburg has shown that in 2016 and 2017 an average of 120 butterflies per year were counted on the unmown strips, but only 27 butterflies on the mown areas during the same period.

BUTTERFLIES MÜNCHEHOFE FARM

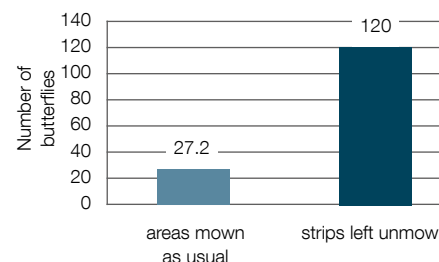


Figure 25: Butterflies counted per year on 100m long strips, average figures 2016-2017, 7 inspections each.

MONITORING WILD FIELD HERBS



Photo: Frank Gottwalds

One focus of last year's monitoring was on wild field herbs (segetal flora). Held as representative of all wild field herbs, the distribution of lamb's lettuce (*Arnoseris minima*) and glabrous weed (*Hypochaeris glabra*) was assessed. Both species are classed as "highly endangered" according to the Red List Germany. They are now only rarely found in nutrient-poor fields. Due to the low fertilisation rate on the organic farms, they find very good living conditions on nutrient-poor sandy soils. To protect the lamb's lettuce the addition of lime to the soil, which increases the pH value of the soil and boosts soil fertility, was omitted in small areas on some of the participating LfA farms.

The monitoring showed that of the total of 19 LfA farms surveyed, at least one of the two species was found on eleven of them. Targeted measures are now to be applied to preserve them. For this to succeed will require close co-operation between project staff, consultants and the farms. This co-operative venture has been stepped up since the start of the project, and many of the participating farms are showing a growing interest in the wild species on their land. This trend is boosted by observations such as this one: in the year 2018 buttercup, which according to the list of endangered species is under threat of extinction, was found at the Gut Temmen project farm.

4. PRODUCT-RELATED COMMUNICATION

Certification systems contribute to the successful implementation of Agenda 2030. Labelling more sustainably produced goods with the Panda logo provides guidance for sustainable shopping.

In addition to the overarching SDGs of the partnership (see pp. 5 and 6), product-related communication contributes towards achieving the targets for the following SDGs:



CERTIFIED PRODUCTS

for the protection of natural habitats



CONSUMER INFLUENCE

The buying decisions consumers make have an impact on the environment. Nutrition alone accounts for 15 per cent of per capita greenhouse gas emissions in Germany. The consumption of meat and animal products in particular plays an important role in this context.⁷⁷ Buying organic products allows the consequences of personal consumption to be mitigated. For example, the production of organic food can have positive effects on water protection, the preservation of soil fertility, species protection and biodiversity.

PROTECTING THE ENVIRONMENT THROUGH SUSTAINABILITY STANDARDS

For this reason, EDEKA and the WWF are working together to attain certification for EDEKA private-label products wherever possible, and to change over to environmentally friendly standards like Marine Stewardship Council (MSC) and Forest Stewardship Council (FSC®), in order to protect habitats in the oceans and in the forests. Organic standards, which guarantee ecologically sound methods of production, also contribute to the preservation of biodiversity. For example, organic plant products must come from varied crop rotations. In addition, the use of synthetic chemical pesticides must be avoided during cultivation.

312 OPTIONS FOR MAKING THE RIGHT CHOICE

Certified private labels and the WWF logo help make more sustainable buying decisions: in the co-branding, which forms part of the strategic partnership between EDEKA and the WWF, products are labelled that meet a WWF-recognised highest standard such as MSC, FSC®, Blauer Engel, NaTrue or EU Organic and are certified by independent testing organisations. The WWF logo on EDEKA private-label products provides consumers with additional assistance in identifying sustainable products.

⁷⁷ Greenhouse gas emissions per capita in Germany, by consumption segments (2017); See: Umweltbundesamt UBA-CO2 Rechner <https://www.umweltbundesamt.de/themen/wirtschaft-konsum/konsum-umwelt-zentrale-handlungsfelder#textpart-1> (15/08/2019)

Hard to miss at EDEKA stores: the so-called co-branded products of the WWF-EDEKA partnership. The WWF Panda logo and a notice printed in a white rectangle draw customers' attention to particularly sustainable products in the EDEKA private-label product range. One of the 312 co-branded products: the Bee Hotel. The wood used to make this product comes from FSC®-certified sources and was examined with regard to the relevant certification as part of the co-branding process of review. If the certificate proves valid and does relate to the particular type of wood, the product is approved for co-branding and the partnership seal can be applied to the product.

IN ADDITION TO THESE SUSTAINABILITY STANDARDS RECOGNISED BY THE WWF, THE WWF LOGO MAY BE DISPLAYED (STATUS 30/06/2019):

Where it is not already covered by the respective standard, the regional or local water risks and the social risks in the countries of origin are also taken into account, in addition to the certification. For products with EU organic certification, this is already the case. Additional certifications are required for products associated with high water and social risks. Where certificates such as GlobalG.A.P. or evidence of compliance with social compliance standards (e.g. GLOBALG.A.P. Risk Assessment on Social Practice,

GRASP) can be provided, a product may be co-branded despite the increased water or social risks. In addition, the so-called project branding is applied to products that originate from a joint cultivation project (banana project, citrus project, LfA products). As part of co-claiming, a reference to the seal along with a supplementary recommendation by the WWF may also be displayed on products that meet environmental standards other than those mentioned above.

WHAT ARE THE PRODUCTS CARRYING THE WWF LOGO?

EDEKA private labels meeting the sustainability standards recognised by the WWF (EU Organic Regulation, Naturland, Bioland or similar organic associations, MSC, FSC®, Blauer Engel (blue angel)) and which are certified by independent testing organisations are permitted to carry the reference to the partnership together with the WWF logo.

ORGANIC CULTIVATION

WOOD, PAPER, TISSUE

FISH AND SEAFOOD

78 In the natural and organic cosmetics segment, products with a minimum content of 70% of natural substances of organic quality can qualify for co-branding. This corresponds to NATRUE level 2, which is for natural cosmetics with at least 70% organic content, and level 3, for organic cosmetics with at least 95% organic content

4.1 STATUS CO-BRANDING

Status: As of 30/06/2019 some 312 products were subjected to co-branding. They hold the following certifications: 195 organic, 49 MSC, 39 FSC, and 29 Blauer Engel (blue angel). In compiling these numbers, all products are counted for which at least one supplier meets the requirements for co-branding. Each product is only counted once, even if it comes from various suppliers. For the co-branding

test, all the suppliers of a product are audited. It can happen that not all the suppliers meet the necessary criteria. In those cases, stores will only stock products whose suppliers meet the requirements. One consequence of this may be that a product displays a co-branding at one store, but not at another. This happens more frequently with fruit and vegetables.

CO-BRANDING EDEKA PRIVATE-LABEL PRODUCT RANGE, STATUS 30/6/2019

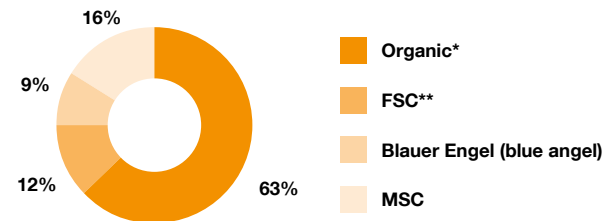


Figure 26: Share of all EDEKA private label products with co-branding, according to the sustainability standard recognised by the WWF (status 30/06/2019).
 * Organic standards recognised by the WWF for co-branding. These include the EU Organic Regulation, Naturland, Bioland and comparable organic associations.
 **FSC® 100% for wood products; FSC® Recycling for tissue and paper products.

4.2 PROJECT BRANDING

Within the framework of the partnership, three projects focussing on the ecologically improved cultivation of food are currently under way at producer level (Chapter 3). The labelling of the goods produced in these projects using conventional but improved cultivation methods consists of the WWF logo in conjunction with a claim. The claim explains the project character and provides a concrete reference, such as the “EDEKA & WWF *Gemeinsames Projekt für eine bessere Orange*” (joint project for a better orange).

Products from the organic partnership project “Agriculture for Biodiversity” bear the project’s own seal and the WWF logo, together with the seal of the EU Organic Regulation and the logo of the organic growers’ association, such as Biopark. In addition, a QR code printed on the packaging provides a direct link to the project’s web page, which in turn provides a direct link to the relevant agricultural operation. This allows shoppers to inform themselves directly about the measures to promote biodiversity that are implemented by each farm or plantation.



4.3 CO-CLAIMING AND CONSUMER INFORMATION

In addition to the co-branding in conjunction with the standards recognised by the WWF, product-related information texts also refer to other certification systems. As these are not recognised by the WWF for the purpose of co-branding, they are merely provided in the form of information texts, without the WWF logo. In the subject area Palm Oil, there are currently five products bearing such information texts. The palm oil components contained in these products are certified according to the RSPO-Segregated standard along the entire supply chain.

In addition, at the cut-off date of 30/06/2019, twenty FSC® mixed hygiene products made of cellulose carried an information text with the WWF logo as well as additional consumer information. They do not qualify for co-branding because the WWF does not recognise FSC® Mix as sufficiently sustainable.



5. AUDIT CERTIFICATE

Limited Assurance Report of the Independent Auditor regarding Sustainability Information⁷⁹

To the Management Board of WWF Deutschland Stiftung bürgerlichen Rechts, Berlin

We have performed an independent limited assurance engagement on the selected sustainability information in table 1 on page 18 on the subject of Fish and Seafood; table 2 on page 23, figure 2 and figure 3 on page 23 as well as table 3 on page 24 on the subject of Wood / Paper / Tissue; table 4 on page 30 on the subject of Palm Oil; table 5 on page 36 and table 6 on page 37 on the subject of Soy / More Sustainable Livestock Feed; figure 7 on page 48 on the subject of Freshwater;

table 7 on page 54, table 8 on page 54, table 9 on page 55, figure 8 and figure 9 on page 56 as well as figure 10 on page 57 on the subject of Packaging; figure 26 on page 80 on the subject of Co-Branding published in the "Progress Report 2019" on the strategic Partnership between EDEKA and WWF (further "Report") for the period July 1, 2018 to June 30, 2019 of WWF Deutschland Stiftung bürgerlichen Rechts (further „WWF Germany“).

Management's Responsibility

The legal representatives of WWF Germany are responsible for the preparation of the Report in accordance with the Reporting Criteria. WWF Germany applies the reporting principles mentioned in the Sustainability Reporting Standards

of the Global Reporting Initiative (GRI) (Accuracy, Balance, Clarity, Comparability, Reliability, Timeliness), supported by internal guidelines (further: "Reporting Criteria").

The responsibility includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual qualitative and quantitative sustainability disclosures which are reasonable under the circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Independence and quality assurance on the part of the auditing firm

We are independent from the Company in accordance with the requirements of independence

and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the professional code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed within a limited assurance engagement on the selected sustainability information within the scope of our engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the above-mentioned sustainability information of the entity for the period from July 1, 2018 to June 30, 2019 has not been prepared, in all material respects, in accordance with the Reporting Criteria. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

⁷⁹ Our engagement applied to the German version of the Progress Report 2019. This text is a translation of the Independent Assurance Report issued in the German, whereas the German text is authoritative.

Within the scope of our work, we performed amongst others the following procedures:

- Recording of the reporting process and the corresponding internal control system
- Recording of the methods and evaluation of the design and implementation of the systems and processes for the collection and processing of the selected sustainability information
- Conduction of site visits to record local processes and to analyze selected sustainability information
- Analytical evaluation of data and trends of selected sustainability information
- Evaluation of selected internal and external documentation
- Assessment of the overall presentation of the disclosures in scope of the assurance engagement.

Conclusion

Based on the procedures performed and the evidence received, nothing has come to our attention that causes us to believe that the selected sustainability information for the period from July 1, 2018 to June 30, 2019 included in the scope of this engagement and published in the Report is not prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction of Use/Clause on General Engagement Terms

This report is issued for purposes Management Board WWF Deutschland only. We assume no responsibility with regard to any third parties.

Our assignment for the Management board of WWF Deutschland and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und

Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bscheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Munich, March 27, 2020

KPMG AG Wirtschaftsprüfungsgesellschaft

Hell ppa.
Dollhofer

Appendices

- 1 Progress Report 2019 Edeka and WWF
- 2 General Engagement Terms